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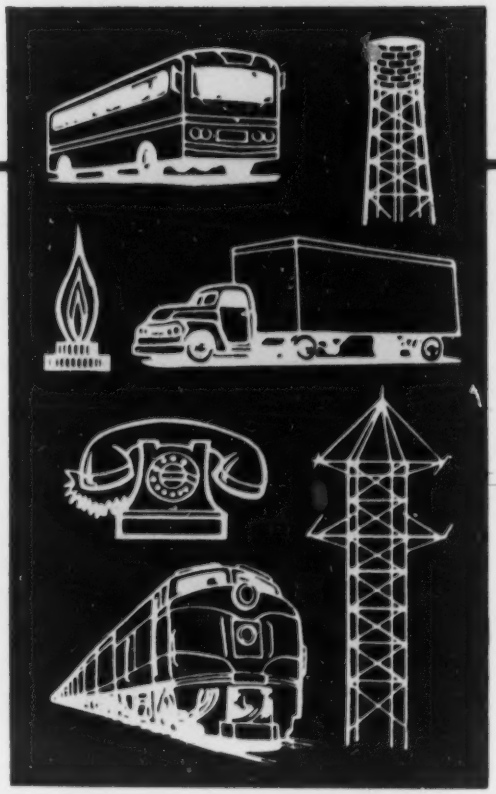

North Carolina Utilities Commission

1990 Report — VOL. XXI

Major Activities — April 1989 through March 1990

with

Statistical and Analytical Data Through 1988

LETTER OF TRANSMITTAL

June 30, 1990

The Honorable James G. Martin
The Governor of North Carolina
Raleigh, North Carolina

Dear Governor Martin:

We hereby present for your consideration the 1990 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period April 1989 through March 1990 with statistical and analytical data for the operations of the utilities through 1988.

Respectfully submitted,

William W. Redman, Jr., Chairman
Sarah Lindsay Tate
Ruth E. Cook
J. A. "Chip" Wright
Robert O. Wells
Charles H. Hughes
Laurence A. Cobb

Prepared by

North Carolina Utilities Commission
Finance, Statistics, and Fiscal Affairs Division
P. O. Box 29510
Raleigh, NC 27626-0510
Telephone No. 919-733-7680

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I. Organization And History

A. COMMISSION STAFF AND ORGANIZATION CHART

There were seven Commissioners and 50 Commission Staff positions as of June 30, 1990. Commissioners are appointed by the Governor subject to the confirmation by the General Assembly in joint session.

NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners and Supervisory Personnel
June 30, 1990

Commissioners
William W. Redman, Jr., Chairman

Sarah Lindsay Tate
Commissioner

Julius A. Wright
Commissioner

Robert O. Wells
Commissioner

Laurence A. Cobb
Commissioner

Ruth E. Cook
Commissioner

Charles H. Hughes
Commissioner

Staff Heads and Directors

Chief Clerk. . . . . .Mrs. Sandra J. Webster
Legal Division . . . . . .Robert H. Bennink, Jr.
Accounting Division. . . . . .Donald R. Hoover
Engineering Division, Electric . . . . . .David F. Creasy
Finance, Statistics, and Fiscal Affairs Division . . . .Joseph W. Smith
Transportation Division (Includes Motor, Rail,
and Gas Pipeline Safety Activities). . . . . .Barbara A. Sharpe

FIGURE NO. 1-1

COMMISSION STAFF - ORGANIZATION CHART

June 30, 1990

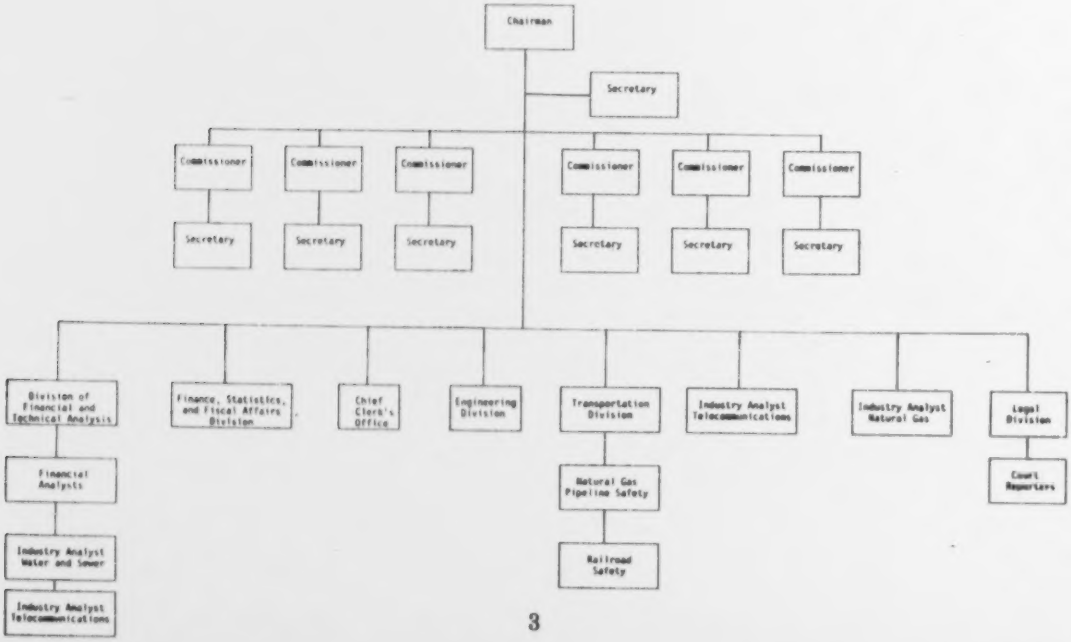


FIGURE NO. 1-1A

NORTH CAROLINA UTILITIES COMMISSION
COMMISSIONERS LISTED IN ORDER OF APPOINTMENT
APPROXIMATE YEARS OF SERVICE GIVEN IN PARENTHESES
(PLEASE SEE NOTE)

* 1. Stanley Winborne (1933-1958)
* 2. F. L. Seely (1933-1940)
* 3. Frank W. Hanft (1933-1940)
* 4. Fred C. Hunter (1941-1955)
* 5. Robert Grady Johnson (1941-1948)
* 6. Joshua S. James (1949-1953)
* 7. Edward R. McMahan (1949-1958)
* 8. Harry T. Westcott (1949-1972)
* 9. Sam O. Worthington (1952-1966)
* 10. Ralph Moody (1955-1957)
* 11. R. Lee Whitmire (1957-1958)
* 12. Clarence H. Noah (1958-1966)
* 13. Richard G. Long (1958-1960)
14. Thomas R. Eller, Jr. (1958-1968)
* 15. R. Brookes Peters (1960-1966)
16. John Worth McDevitt (1966-1973)
17. M. Alexander Biggs, Jr. (1967-1969)
18. Clawson L. Williams, Jr. (1967-1970)
19. Marvin R. Wooten (1968-1976)
* 20. Miles H. Rhyne (1970-1973)
21. Hugh A. Wells (1970-1974)
* 22. Ben E. Roney (1973-1979)
23. Tenney I. Deane, Jr. (1973-1977)
24. George T. Clark, Jr. (1974-1976)
25. J. Ward Purrington (1975-1977)
26. W. Lester Teal, Jr. (1975-1977)
27. Barbara A. Simpson (1975-1977)
28. W. Scott Harvey (1976-1977)
29. Dr. Robert K. Koger (1977-1988)
30. Dr. Leigh H. Hammond (1977-1984)
31. Sarah Lindsay Tate (1977-)
32. Dr. Robert Fischbach (1977-1979)
33. John W. Winters (1977-1983)
34. Edward B. Hipp (1977-1989)
35. A. Hartwell Campbell (1979-1986)
36. Douglas P. Leary (1980-1984)
37. Ruth E. Cook (1983-)
38. Charles E. Branford (1984-1985)
39. Hugh A. Crigler (1984-1985)
40. Julius A. Wright (1985-)
41. Robert O. Wells (1985-)
42. William W. Redman, Jr. (1987-)
43. Charles H. Hughes (1989-)
44. Laurence A. Cobb (1989-)

*Deceased

NOTE: Appointments for Utilities Commissioners have never been on a calendar year basis; therefore, the years of service given in parentheses represent the (a) year in which the Commission was appointed, and (b) the year in which service ended.

B. BIOGRAPHICAL SKETCH OF EACH COMMISSIONER AS OF JUNE 30, 1989

WILLIAM W. REDMAN, JR., CHAIRMAN Born October 15, 1933, in Statesville, Iredell County, North Carolina; University of Southern California (1966); Embry-Riddle Aeronautical University (1972) (BS); Realtors Institute, University of North Carolina at Chapel Hill (1978), GRI; Bank Marketing Institute, University of Maryland (1975); Real Estate Broker; Retired Military Officer; Member, North Carolina Senate (1979-80), (1981-82), (1983-84), (1985-87); Member, North Carolina Senate, Senate Minority Leader (1985-87); Member, Mental Health Study Commission (1984-87); "Valand Award", North Carolina Mental Health Association (1986); Board of Trustees, Gardner-Webb College; National Judicial College (Administrative Law) (1988); Director, North Carolina Solar Center; Director, North Carolina United Way; served United States Army (1954-1974) (Lt.Col.); Master Aviator and Commercial Pilot; Distinguished Flying Crosses (2); Bronze Stars (3); Air Medals (16), Infantry Officer Candidate "Hall of Fame" (1982); assumed Commissionership March 17, 1987, current term ends June 30, 1995; married (Libby), three children.

ROBERT O. WELLS, COMMISSIONER: Born June 16, 1938, in Jones County, North Carolina; University of North Carolina at Chapel Hill (BA); Wells Insurance Agency (1963-85); Member, High Point City Council (1973-77); Member, High Point Planning and Zoning Commission (1978-81); Member, High Point Economic Development Corporation (1981-85); Member, Economic and Community Development Committee, North Carolina League of Cities (1983-85); Member Transportation and Commerce Committee, National League of Cities (1985); Mayor, City of High Point (1981-85); assumed Commissionership July 1, 1985, current term ends June 30, 1993; married (Linda), four children.

SARAH LINDSAY TATE, COMMISSIONER: Born March 14, 1927, in Charlotte, North Carolina; University of North Carolina (AB, LLB); Raleigh Community Relations Commission, associate counsel for insurance companies, private law practice; assumed Commissionership May 24, 1977, current term ends June 30, 1993; one daughter.

RUTH E. COOK, COMMISSIONER: Born November 11, 1929, in Berlin, Germany; New York University; Member of the North Carolina House of Representatives (1974-83); Chairman of Appropriations Base Budget Committee on Human Resources; Chairman, Consumer Protection Committee of the Southern Legislative Conference of the Council of State Governments (1982); The N.C. Housing Programs Study Commission, Chairman (1981-82); Governor's Task Force on Science and Technology (1982); Savings and Loan Study Commission (1980); Board of Directors of North Carolina Housing Finance Agency (1981); Chairman, North Carolina Council for the Hearing Impaired (1979); Executive Director, State Council for Social Legislation (1966-74); President, North Carolina Consumers Council (1977); Charter Board Member, Raleigh Inter-Church Housing Corporation (1966-69); President, Raleigh/Wake League of Women Voters (1963-65); Member Women Executives in State Government; First Vice President of the Southeastern Association of Regulatory Utility Commissioners (1988-89); Member, Board of the North Carolina Center for Public Policy Research; Member, Board of the North Carolina Arts Advocates; assumed Commissionership July 1, 1983; current term ends June 30, 1991; husband (deceased), two children.

JULIUS A. WRIGHT, COMMISSIONER: Born October 10, 1951, in Waycross, Georgia; Valdosta State College (BS Chemistry), Georgia State University (MBA Finance); Chemist, Occidental Petroleum Corporation (1975-76); Research Chemist, Chemical Products Corporation (1976-79); Senior Project Engineer, Corning

Glass Works (1979-85); Owner, Video Investment Corporation (1982-85); North Carolina State Senator (three terms, 1981-85); assumed Commissionership June 10, 1985, current term ends June 30, 1993; married (Phyllis), two daughters.

CHARLES H. HUGHES, COMMISSIONER: Born April 20, 1945, in Asheboro, North Carolina; Randolph Tech (1963); Greensboro College (1963-65); General Acceptance Corporation, Consumer Finance Degree (1965); Bank Administration Institute, General (1971-76); University of North Carolina School of Banking (1974); Mesco Building Systems, Estimating and Engineering (1977); General Kirby Building Systems, Estimating and Engineering, General (1979); Bank of North Carolina, Hendersonville, N.C. (1971-77); President-Owner of Hughes Building Corporation (1979-81); North Carolina House of Representatives (1980-85); Self-Employed, Marketing and Sales (1981-85); Director, Research, State of North Carolina Governor's Office (1984-89); Member, Elks Club, Lions Club, Hendersonville Jaycees, Western North Carolina Sportsmans Association, and Hendersonville Chamber of Commerce: assumed Commissionership April 3, 1989; current term ends June 30, 1989; appointed to additional eight-year term ending July 1, 1997; married (Suzanne), two children.

LAURENCE A. COBB, COMMISSIONER: Born May 20, 1933, in Teaneck, New Jersey; Rutgers University (1951-52); UNC-Chapel Hill (1955); Washburn University (1955-57); UNC-Chapel Hill, School of Law (1958), J.D.; Member North Carolina Senate (1985-86), (1987-88), (1988-89); former Senate Minority Leader; North Carolina House of Representative (1970-72), (1973-74), (1975-76); former House Minority Leader; N.C. Chairman, Bush for President (1980), (1988); N.C. Chairman, Republican Victory 88 (1988); Member of Board of Governors, University of N.C. (1977-85); Member, UNC-Chapel Hill and UNCC Boards of Visitors; Former Chairman, Governor's Highway Safety Commission; Former Chairman, Governor's Crime Commission; Former Member North Carolina Courts Commission; Citizens Criminal Justice Commission; Former Member, Advisory Budget Commission; Former President and Director, Lawyers of N.C., Inc.; Former Director, UNC Law School Association; U.S. Air Force (1959-62); Reserves (1962-89) (Colonel), Judge Advocate General Corps; Commissionership August 14, 1989, current term ends June 30, 1997; married (Edna Faye), two children.

C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Robert P. Gruber began his term as Executive Director on July 1, 1983. From February 1978 until this appointment he had served as General Counsel to the North Carolina Utilities Commission. From 1973 to 1978 he had been employed by the North Carolina Department of Justice where he had served as a Special Deputy Attorney General in charge of the Utilities Section. Prior to this he had been in private law practice in Raleigh, North Carolina. He earned his law and undergraduate degrees from the University of North Carolina.

D. PUBLIC STAFF AND ORGANIZATION CHART

As of June 30, 1990, there were 77 funded positions, including the Executive Director, comprising the Public Staff of the North Carolina Utilities Commission.

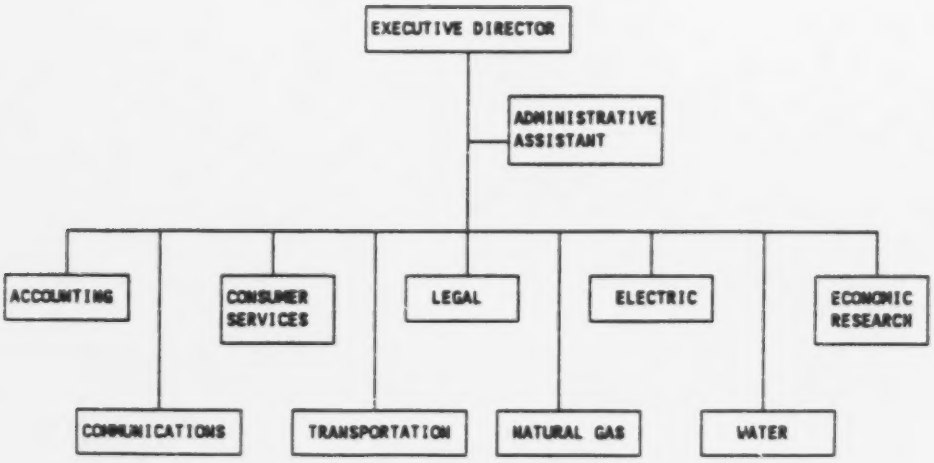
PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION
June 30, 1990

Executive Director
Robert P. Gruber

Administrative Assistant	Margaret K. Kimzey
Accounting Division	William E. Carter
Communications Division	Gene A. Clemmons
Consumer Services Division	J. Craig Stevens
Economic Research Division	George T. Sessoms, Jr.
Electric Division	Dennis J. Nightingale
Gas Division	Raymond J. Nery
Legal Division	Antoinette R. Wike
Transportation Rates Division	James C. Turner
Water Division	Andy Lee

FIGURE NO. 1-2

PUBLIC STAFF - ORGANIZATION CHART
June 30, 1990



E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission, which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat, or canal companies, and express and telegraph companies.

The major changes occurring in the North Carolina regulatory field since 1891 are in chronological order as follows:

1893--Telephone industry brought under regulation.

1897--Street railways brought under regulation.

1899--Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900--The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905--Supervision of building and loan association transferred to State Insurance Commissioner.

1913--Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925--Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931--Transfer of banking department to the Commissioner of Banks.

1933--The Corporation Commissioner abolished. The office of Utilities Commissioner created with two associate Commissioners.

1937--Administration of Capital Issues Law transferred to Secretary of State.

1941--The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1949--Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five Commissioners and technical staff of engineers, accountants, and directors of transportation added.

1963--The utility laws of North Carolina updated and rewritten.

1965--Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62-266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina. (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than to the Superior Courts.

1969--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Register ICC Exemptions. Authorization for the Commission to require all interstate carriers to file copies of their respective interstate authority or register their exempt operation. The registration for the exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. Inspect Utility Affiliate Records. Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates. (G.S. 62-51)

c. Furnish False Information to the Utilities Commission; Failure to Furnish Information to the Commission. Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G.S. 62-326)

d. Radio Common Carriers. Commission authority extended to grant Certificates of Public Convenience and Necessity to radio common carriers in areas where the landline telephone company has heretofore protested certificates of radio common carriers.

1971--The following amendments to the General Statutes 62 known as the Public Utilities Act were approved by the General Assembly in the current year:

a. The Executive Organization Act of 1971 created the N.C. Department of Commerce, (143A-174). The North Carolina Utilities Commission was transferred to the Department of Commerce. (G.S. 62-10)

b. Safety Standards for Interstate and Intrastate Natural Gas Pipelines. Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions, and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. How Rates Fixed--Natural Gas Distribution Companies. Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G.S. 62-133)

d. Change in Definition of "Public Utility." Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973--The following amendment to the General Statutes 62 known as the Public Utilities Act, was approved by the General Assembly in the current year:

a. Change in Definition of "Public Utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utilities Commission has no authority in respect to rates or charges for service

until July 1, 1974. [G.S. 62-3 (23)(f)] Related Statute--Electric Service in Urban Areas. Authority and Jurisdiction of Utilities Commission--G.S. 160-A-334 rewritten as follows: If North Carolina Utilities Commission finds service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to: Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier and to order such secondary supplier to cease and desist from furnishing electric service.

1974--The following selected Legislative Bills of significance to the operations of the utilities, the utilities' ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62 known as the Public Utilities Act:

a. How Rates Fixed--Small Water and Sewer Utilities. The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues, such ratio to be determined by the Commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio. [G.S. 62-133.1 (a)]

A water or sewer utility may enter into uniform contracts with nonusers of its utility service within a specific subdivision or development for the payment by such nonusers to the utility of a fee or charge for placing or maintaining lines or other facilities or otherwise making and keeping such utility's service available to such nonusers which in effect is an availability charge. [G.S. 62-133.1 (b)]

b. Future Test Period Authorized. Authority given to the Commission, at its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which required the extensive use of estimated and forecasted operating data in addition to actual historical data. [G.S. 62-133 (c)] (The General Assembly, during the 1975 Session, amended G.S. 62-133 (c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. Less Than the Full Commission May Hear Small Utility Rates Cases--In matters where total annual revenue requested or where total annual revenues increase requested is less than $50,000,* even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously, the full Commission was required to hear all general rate cases. (G.S. 62-81) *Increased to $100,000 by 1977 legislative amendment. Increased to $300,000 by 1981 legislative amendment.

1975--Major legislation affecting the regulation of utilities:

a. Definition of the Term "Panel." Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. Increase in the Number of Commissioners From Five (5) to Seven (7). All

Commissioners henceforth are to be appointed by the Governor subject to confirmation by the General Assembly in joint session. (G.S. 62-10)

c. Initiation of Management Audits. Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified, and independent firm with the cost of such audit to be borne by the particular public utility subject to the audit. [G.S. 62-37 (b)]

d. Procedure Before the Commission. The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission. (G.S. 62-60.1)

e. Long-Range Forecast. The Commission is required to develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix, and general location of generating plants, and arrangements for pooling power to the extent not regulated by the Federal Power Commission. [G.S. 62-110.1 (c, d, e, f)]

f. Rate Changes Due Solely to Changes in Cost of Fuel. Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued no later than ninety (90) days from the filing. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be considered a general rate case. To implement this new legislative act, the Commission adopted a new Rule, R1-36, which prescribes the information and exhibits required to be filed with the application. [G.S. 62-134 (e) and (f)]

1977--Major legislation affecting the regulation of utilities:

a. Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public. The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve, and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to the supervision, direction, or control of the Commission, the Chairman, or members of the Commission. The Public Staff has the duty and responsibility to review, investigate, intervene, and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for service, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities providing services to the

public, contracts of public utilities with and between affiliates or subsidiaries, and the issuance of securities or other financial matters affecting the utilities. The Public Staff has no duty, responsibility, or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations, or to the laws, rules or regulations of common, contract, and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers, or the operation of motor vehicle equipment. [For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i).]

b. Gifts to Members of Commission, Commission Employees, or Public Staff Unlawful--Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff, or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. Public Staff Provision Renewable After Four Years--Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission.

d. Lifeline Rate Study--Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the rates were causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of use by residential customers to provide lighting, cooking, and refrigeration in their primary place of residency.

e. Use of Original Cost Plus Construction Work in Progress (CWIP) of Public Utilities Property for Ratemaking Purposes to be Effective With Respect to Rate Applications Filed on and After July 1, 1979. Effective with rate applications filed on and after July 1, 1979, the Commission must use as the rate base for fixing rates of electric, gas, telephone, and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation, plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62-2 entitled "Declaration of Policy" by adding a new subsection (5) which reads as follows:

"(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In determining net operating income for return, the Commission shall not

include any capitalized allowance for funds used during construction work in progress included in the utility's rate base." (See Session Laws 1977, c 691, ss. 2 & 3 for details of amendments to G.S. 62-133).

f. Constitutional Amendment (Article V) to allow municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities. This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate, and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate, directly affects the regulated electric companies of North Carolina. Duke Power Co. has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c 528, sections 1 thru 6 for details of Constitutional Amendment.)

g. Uniform and Joint Rates Among Carriers of the Same Class Authorized. Historically tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates, in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the Commission to regulate and permit tariff bureaus to publish joint rates. G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.

1979 & 1980--Major legislation affecting the regulation of utilities

a. Office of Executive Director and the Public Staff Made Permanent on April 10, 1979. These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. Gas Pipeline Safety Standards Authority Expanded. The Utilities Commission's authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979, c 269, G.S. 62-50)

c. Ex-parte Communications. The act was amended which forbids any non-written communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged by deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70 (g) (Session Laws 1979, c 332, S.2.)

d. Encouragement of Cogeneration of Electricity. Cogeneration of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. [G.S. 62-110.1 (g)]

e. Power Sales by Small Power Producers. In the event that a small power producer and an electric utility are unable to mutually agree to a contract

price for the electricity purchased by the electric utility, the Commission shall require the utility to purchase the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. Security Provisions Relating to Access to Nuclear Power Facilities and/or Control Over Nuclear Material. The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. (G.S. 62-333) (See Session Laws 1979, c 796.)

g. Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt From Regulation. Motor passenger carriers engaged in "Charter Party" service for senior citizens 60 years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety, and registration regulations of motor passenger carriers and their vehicles. [G.S. 62-260 (a)(18)] (See Session Laws 1979, c 204).

1981--Major legislation affecting the regulation of utilities

a. Rate-setting Hearings Nonmandatory When There is No Significant Public Protest and All Parties Are in Agreement When there is no significant public protest received within 30 days of the publication of notice of a proposed rate change for a water or sewer utility, the Commission may decide the proceeding based on the record without a trial or hearing, provided said utility and all other parties of record have waived their right to any such hearing. [G.S. 62-81 (f) (HB 530)]

b. Commission Authorized to Decide the Level of Interest to Add to Customer Refunds. The Commission under the amended law can decide the level of interest rates public utilities must pay on refunds of monies to its customers which were advanced by or overcollected from its customers. Under the amended law the rate cannot exceed ten percent (10%) per annum, previously the only rate was six percent (6%) per annum. [G.S. 62-130 (e) and G.S. 62-135 (c) (HB 531)]

c. The Utility Company Shall Be The Source of Funds for the Public Staff to Employ Outside Assistance in Commission Proceedings. The Executive Director of the Public Staff is authorized to employ, subject to the approval of the State Budget Officer, expert witnesses and such other professional expertise as deemed necessary to assist the Public Staff in its participation in Commission proceedings, and the compensation and expenses therefor shall be paid by the utility or utilities participating in said proceedings. Before this enactment, the funds for this type service came from the regular appropriated Public Staff budget or from the State Contingency and Emergency Fund. [G.S. 15 (h) (HB 529)]

d. Employment of Temporary Court Reporters With Costs to be Borne by Individual Utility or Utilities. The Commission is authorized to contract with or employ on a temporary basis, when deemed necessary by the Chairman of the Commission, court reporters in addition to those employed on a full-time basis by the Commission for the purpose of recording and transcribing testimony given at hearings before the Commission involving any Class A and B utility. The costs for these court

reporters are to be charged directly to the involved utility or utilities. [G.S. 62-7 (d) (SB 639)]

1982-Major legislation affecting the regulation of utilities (1982-Short Session)

a. Changes in Method and Times Per Year the Fuel Clause Adjustment May be Considered and the Treatment of Construction Work in Progress (CWIP) for Ratemaking Purposes. Chapter 62 of the General Statutes is amended by adding a new section, G.S. 62-133.2 (HB 1594). This new section provides that the Commission shall conduct only one hearing for each electric utility within 12 months of the last general rate case for the purpose of determining whether an increment or decrement rider is required to reflect actual changes in the cost of fuel and the fuel cost component of purchased power over or under base rates established in the last preceeding general rate case. The amended law also provides that the Commission shall allow only that portion, if any, of a requested fuel adjustment that is based on adjusted and reasonable fuel expenses prudently incurred under efficient management and economic operations. Before enactment of this amendment, there were fuel costs adjustment proceedings three times a year; and the Commission had been barred by court decisions from reducing fuel charges because of inefficient management of poor plant performance. The old fuel adjustment procedure in G.S. 62-134 (e) is repealed. CWIP changes for ratemaking purposes were implemented by the legislature by changing words in the second sentence of G.S. 62-133 (b) (1) from "shall be included" to "may be included, to the extent the Commission considers such inclusion in the public interest and necessary to the financial stability of the utility in question." Prior to this change (since July 1, 1979) in the wording of G.S. 62-133 (b) (1), the Commission had been required to include in the rate base for ratemaking purposes the reasonable original cost of CWIP which had the effect of allowing the utilities to recover through rates the costs of obtaining money to build new facilities. The new law gives the Commission discretionary authority on whether to include CWIP costs in rates. The new law was effective June 17, 1982, the date of ratification.

1983--Major legislation affecting the regulation of utilities:

a. Amendments to Appeal Procedures. Chapter 526, House Bill 493 is an act to implement the Constitutional amendment regarding appeal of Utility Commission Orders. G.S. 7A-29 is amended to show appeals in a general rate case from decisions of the Utilities Commission now go directly to the Supreme Court. In the past, according to G.S. 7A-29, the appeal shall lie to the Court of Appeals.

Chapter 572, House Bill 513 is an act to clarify the filing of a notice of appeal in all appeals taken from decisions of the Utilities Commission. G.S. 62-90 (a) is rewritten to include that any party to a proceeding before the Commission may appeal any final decision of the Commission within 30 days, if they file with the Commission a notice of appeal and set forth the grounds which they believe to be unjust or unreasonable. All other parties may give notice of cross appeal, if they explain the grounds which they believe to be unjust or unreasonable, within 20 days after the first notice of appeal.

b. Compensation for Outside Counsel for Certain Natural Gas Litigation: Chapter 761, Senate Bill 23, Sec. 132 authorized that compensation for outside legal fees in excess of twenty-five thousand dollars ($25,000) per year incurred by the North Carolina Utilities Commission on behalf of the using and consuming public in conjunction with natural gas litigation brought before federal courts and agencies shall be paid from refunds

received from the Transcontinental Gas Pipeline Company rather than from the Contingency and Emergency Fund, provided that the agreement must be approved by the State Budget Office.

c. Transfer of Motor Carrier Safety Regulation to DMV. Sec. 137. The safety regulation of all motor carrier transportation services is transferred from the Utilities Commission, Department of Commerce, to the Division of Motor Vehicles, Department of Transportation. This transfer shall be a "type I transfer" as identified in G.S. 143A-6. The regulation of rates and market entry for motor carrier transportation services shall remain vested in the Utilities Commission. The agencies of State government affected by this transfer shall report to the 1984 Session of the General Assembly regarding any changes in the General Statutes required by this transfer.

1984--Major legislation affecting the regulation of utilities:

a. Utility Federal Tax Refund. Chapter 1097, House Bill 1513, is an act to change the state tax structure for commodities and services provided by certain utilities. This act will enable individuals to deduct the taxes on these commodities and services from their Federal income. This does not change rates, it simply converts about one-half the franchise tax to a sales tax so that the sales tax can be deducted from an individual's Federal income tax liability as an itemized deduction. It is the policy of this State that as many State taxes as possible be structured so that they are deductible for Federal income tax purposes under the Internal Revenue Code. This bill was ratified July 6, 1984, and was made effective on January 1, 1985.

b. Powers and Duties of the Utilities Commission in the Telecommunications Industry Broadened. Chapter 1043, House Bill 1365, is an act that broadened the authority of the North Carolina Utilities Commission to allow competitive offerings of long-distance services by public utilities defined in G.S. 62-3 (23)(a)(6) and certified in accordance with the provision of G.S. 62-110. This additional author-ity was granted "because of technolog-ical changes in the equipment and facilities now available and needed to provide telephone and telecommunica-tions services, changes in regulatory policies by the federal government, and changes resulting from the court-ordered divestiture of the American Telephone and Telegraph Company, competitive offerings of certain types of telephone and telecommunications services may be in the public interest."

G.S. 62-110 as amended by this act authorized the Commission to issue certificates to provide competitive long-distance telecommunication services; however, the Commission shall consider the impact on the local exchange customers and only permit such additional service if the Commission finds that it will not jeopardize reasonably affordable local exchange service. This bill was ratified and became effective on June 29, 1984.

1985--Major legislation affecting the regulation of utilities:

a. Bus Regulatory Reform Act of 1985. Chapter 676, House Bill 977, is an act to reform the laws regulating common carriers of passengers by motor vehicle. The General Assembly finds and declares that a safe, competitive, and fuel efficient passenger bus industry contributes to a strong economy and is vital to the transportation needs of the elderly, handicapped, and poor; Congress has already enacted the Bus Regulatory Reform Act of 1982, which reduces unnecessary and burdensome government regulation of motor carriers of passengers, and now this State will amend and modify its laws regulating

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b. Clarify the Definition of Preference or Advantage in Utilities Regulation and Provide a Corporate Income Tax Credit. Chapter 695, House Bill 1010, is an act to clarify the definition of preference or advantage in utilities regulation and to provide a corporate income tax credit. This bill states that it shall not be considered an unreasonable preference or advantage for the Utilities Commission to order a reduction in local telephone rates for low-income residential consumers meeting a means test established by the Commission in order to match any reduction in the interstate subscriber line charge authorized by the Federal Communications Commission. Also this bill allows a corporation that provides telephone service to low-income residential customers at reduced rates, in accordance with an order of this Commission, a credit against the tax imposed by this Division. This credit is allowed only for a reduction in local telephone service rates and fees.

c. Permit telephone service of coin, coinless, or key-operated pay telephones by entities other than the certificated telephone companies. Chapter 680, House Bill 1209, is an act to allow the provision of telephone service by entities other than the certificated telephone companies. The North Carolina Utilities Commission will issue a special certificate to persons who offer coin, coinless, or key-operated pay telephone service to

the public. The certificated local exchange telephone company in the area of the new pay telephone service will be the only provider of the access line from the pay instrument to the network, and the rates approved by the Commission for this access line shall be fully compensatory. This bill was ratified and made effective July 10, 1985.

1986--Major legislation affecting the regulation of utilities:

Utilities Commission/State Reimbursement. Chapter 1014, House Bill 2055, Section 233, G.S. 62-48 (b) authorizes the Utilities Commission to establish procedures whereby the State may be reimbursed from past and future refunds received by the North Carolina natural gas distribution companies for travel expenses incurred by staff members of the Commission and Public Staff who are designated to provide assistance to the Commission's private legal counsel in natural gas matters before federal courts and agencies. This bill was ratified on July 15, 1986, and made effective July 1, 1986. House Bill 2055, in effect, rewrites and broadens the source of funding for compensation for outside counsel as originally enacted in 1983 under Chapter 761, Senate Bill 23, Section 132. The Bill is briefly described in Section E., "Historical Sketch of Development," 1983 Major legislation affecting the regulation of utilities, part (b).

1987--Major legislation affecting the regulation of utilities:

a. Permit the Provisions of Shared Use and Resale of Telephone Service. Chapter 445, Senate Bill 822 authorizes the Commission, consistent with the public interest, to adopt procedures for the purpose of allowing shared use and/or resale of any telephone service provided to persons who occupy the same contiguous premises. The Commission shall determine the extent to which such services shall be regulated and shall regulate the terms, conditions, and rates charged for such services and the terms and conditions for interconnection to the local exchange network. The local service rates approved by the Commission for local exchange lines or trunks being shared or resold shall be fully compensatory and on a measured usage basis where facilities are available or on a message rate basis otherwise.

Section 2 of this law rewrote G.S. 62-3(23)(g) to read as follows: "The term 'public utility' shall not include a hotel or motel, time share, or condominium complex operated primarily to serve transient occupants, which imposes charges to occupants for local, long-distance, or wide area telecommunication services when such calls are completed through the use of facilities provided by a public utility, and provides further that the local services received are rated in accordance with the provisions of G.S. 62-110(d) and the applicable charges for telephone calls are prominently displayed in each area where occupant rooms are located." This bill was ratified and made effective June 22, 1987.

b. Provide Adjustments to Cost in Electric Utility Ratemaking and to Study the Question of Continuing the Authority for True-ups. Chapter 677, Senate Bill 524 provides that in annual fuel charge adjustment proceedings for electric utilities, the Commission shall incorporate a "true-up" of reasonable fuel expenses prudently incurred during the test period in fixing an increment or decrement rider. The burden of proof as to the correctness and reasonableness of the charge and as to whether the fuel charges were reasonably and prudently incurred shall be on the utility. The Commission shall adopt a rule that establishes prudent standards and procedures with which to appropriately measure management efficiency in minimizing fuel costs. The Joint Legislative Utility

Review Committee shall study the fuel charge adjustment statute (G.S. 62-133.2) and shall report its findings and recommendations to the General Assembly prior to the convening of the 1989 session. G.S. 62-133.2 is repealed in its entirety effective July 1, 1989. The legislation was ratified and made effective July 24, 1987.

c. Require Implementation of Least Cost Planning Initiatives by Utilities: Chapter 354, Senate Bill 813 amends G.S. 62-2 by adding a new subsection 3a. This act states that in order to provide adequate, reliable utility service to meet future growth, the entire spectrum of demand-side options should be used, including conservation, load management, and efficiency programs as additional sources of energy supply and/or energy demand reductions. This act requires energy planning and fixing of rates in a manner to result in the least cost mix of generation and demand-reduction measures which is achievable, including consideration of appropriate rewards to utilities for efficiency and conservation which decrease utility bills. This bill was ratified and made effective June 12, 1987.

d. Request a Water or Sewer Utility Company to Post a Bond. Chapter 490, House Bill 747. This bill states that no franchise may be granted to any water or sewer utility company until the applicant furnishes a bond secured with sufficient surety as approved by the Commission in an amount not less than ten thousand dollars and not more than two hundred thousand dollars. The bond shall be conditioned upon providing adequate and sufficient service within all the applicant's service areas. Cash and Certificates of Deposits (CD's), are offered with the purchase of these bonds with United Carolina Bank. The depositor draws interest, while the Commission holds control of the money. The purpose of these bonds are for use in case of the abandonment or upgrading of systems regulated by the Commission. This bill was ratified and made effective June 26, 1987.

1988--Major Legislation Affecting the Regulation of Utilities:

There was no major legislation in 1988.

1989--Major Legislation Affecting the Regulation of Utilities:

a. An Act to Establish Statewide 911 Service. Chapter 587, Senate Bill 509, G.S. 62A, is a new section entitled Public Safety Telephone Act. This bill is an Act to establish the Statewide use of 911 service. The General Assembly declares it to be in the public interest to provide a toll free number through which an individual can gain rapid, direct access to public safety aid. "911 Service" is an emergency telephone system that provides the user of the public telephone system the ability to reach a public safety answering point by dialing 911. This bill was ratified on July 6, 1989.

b. Extended Expiration Date of Fuel Charge Adjustment. Chapter 15, House Bill 126, G.S. 62-133.2, is an act to implement the recommendation of the Joint Legislative Utility Review Committee to extend the expiration date of the fuel charge adjustment provision of the General Statutes from July 1, 1989 to July 1, 1991. The bill was ratified on March 15, 1989.

c. Public Utilities Regulatory Fee. Chapter 787, Senate Bill 1320, authorizes the Commission to charge a quarterly regulatory fee, in addition to other fees and taxes. The purpose of this fee is to defray the cost of regulating the public utilities. Every public utility subject to the jurisdiction of the Commission shall pay this fee on a quarterly basis, based on their jurisdictional revenues. This fee is .12% of their revenues or $6.25

each quarter for those utilities with annual revenues less than $20,837. This act shall become effective July 1, 1989 and shall apply to public utility North Carolina jurisdictional revenues earned on or after that date, and shall expire June 30, 1991, and the proceeds and interest remaining in the fund created by this act upon expiration shall revert to the General Fund. This bill was ratified on August 12, 1989 and made effective July 1, 1989.

FIGURE NO.1-3
NORTH CAROLINA UTILITIES COMMISSION
Receipts and Expenditures
Fiscal Year Ended June 30, 1989

Source	Commission Staff	Public Staff [1]	Total N.C. Utilities
General Fund Appropriation	$2,399,914	$3,566,140	$5,956,054
Other Receipts			
Alternative Energy Corporation	57,263	0	57,263
Miscellaneous Revenues	1,654	0	1,654
Fees Collected by Commission:			
Office of Chief Clerk	85,506	1,701	87,207
Court Reporter Fees	26,036	0	26,036
Legal Fees - Gas Co.	65,051	0	65,051
Transfer - Prior Fiscal Year	6,995	0	6,995
Federal Funds			
U.S. Gas Safety Program	99,046	0	99,046
Rail Safety	22,311	0	22,311
Total Receipts	$2,763,776	3,557,841	6,321,617
Expenditures			
Salaries and Wages	$2,010,600	$2,745,608	$4,756,208
Fringe Benefits	414,130	631,546	1,045,676
Legal and Consulting Fees	70,314	0	70,314
Materials and Supplies	7,997	7,057	15,054
Travel	98,993	57,977	156,970
Postage, Telephone, Printing	62,022	39,047	101,069
Photocopying	29,567	23,685	53,252
Repairs of Building and Equipment	971	557	1,528
Data Processing Service	6,500	13,538	20,038
Employee Educational Expenses	988	2,122	3,120
Other Services and Expenses	1,187	94	1,281
Rent - Building and Offices	720	155	875
Insurance and Bonding	421	576	997
Service and Maintenance Contracts	16,966	1,626	18,592
Dues and Subscriptions	11,577	9,463	21,040
Office Furniture, Equipment, Books	13,516	11,916	25,432
Data Processing Equipment	7,910	12,406	20,316
Other Expenses	9,387	468	9,855
Total Expenditures	$2,763,776	3,557,841	6,321,617
Funded Postions	57 [2]	77	135

[1] The 1977 N.C. General Assembly amended General Statute 62 to provide for a Public Staff in the Utilities Commission to represent the using and consuming public. Effective July 1, 1977, the Commission was completely restructured into two staffs, creating a budget for each staff.

[2] As of September 1, 1983, twenty-five (25) positions were transferred to the Department of Transportation, Division of Motor Vehicles to continue to administer the registration and insurance functions relating to the regulated motor passenger and motor freight carriers of North Carolina.

II. Selected Commission Activities April 1989 through March 1990

A. GENERAL

1. Public Involvement

The Commission has continued its emphasis on improving its public image by making its activities open for participation by the public and other interested parties. The table below shows the number of formal hearings held in Raleigh and in the service areas of the utilities involved; many of these hearings were held at night.

	Year Ended December 31			
	1986	1987	1988	1989
Total Formal Hearings Held	239	213	200	177
Number of Hearings Held Away From Raleigh, in Utility Service Areas	49	46	54	38
Percent of Total Hearings Held Away From Raleigh	21%	22%	27%	21%

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues with which the Commission, the Public Staff, and all other participants must deal.

Advance public notice is given for all hearings of general interest and especially rate case hearings. Also news releases are made of important Commission decisions and activities. All Commission weekly conferences (Monday mornings generally) are open to the public as a spectator or participant.

For a summary of Commission proceedings docketed and heard in 1989 see Figure No. 2-1.

B. ELECTRIC

1. Load Forecast--N.C. Electricity Needs (1988-1997)

The General Statutes of North Carolina require that the Commission develop an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina (G.S 62-110.1). On August 18, 1986, the Commission issued its Order Adopting Updated Forecast and Plan for Meeting Long-Range Needs for Electric Generating Facilities in North Carolina--1985/86 in Docket No. E-100, Sub 50. The Order contained the findings and conclusions of the Commission regarding generating capacity expansion by electric utilities serving North Carolina. In June 1988 and again in November 1989 the Commission issued reports updating its August 18, 1986, Order pursuant to G.S. 62-110.1.

The rates of growth in kW peak demand for CP&L, Duke Power, and Vepco for the period 1988-1997, taking into account conservation, load management, and emerging alternative energy resources which appear most likely at this time, should fall in the following ranges:

Company	% Annual Growth Rates in Peak Demand During (1988-1997)
CP&L	1.5% - 1.9%
Duke	2.5% - 3.0%
Vepco	2.8% - 3.0%

Forecasting electric load growth for many years into the future is an imprecise art at best. Virtually all of the forecasting tools in common use today assume that certain historical trends or relationships will continue into the future, and that historical correlations give meaningful clues to future behavioral patterns. As a result, any shift in such correlations or relationships can introduce significant errors into the forecast. A prime

example of such a shift in historical relationships was the shift in energy usage patterns following the dramatic increase in fuel oil prices during the mid 1970's, an event which rendered virtually all prior forecasts invalid.

The current load forecasts adopted by the Commission are based in large part on the premise that conservation, load management, and emerging alternative resources represent permanent changes in the approach of society toward the use of energy. However, uncertainties concerning when the various known energy alternatives will become available in sufficient quantity to be of significant impact during the current planning horizon places the Commission in the position of having to evaluate forecasts, while at the same time working to encourage energy alternatives which could change those "most likely" forecasts. Thus, the Commission finds it necessary to allow for a great deal of flexibility in the planning for generation capacity expansion to match the forecasts. By order issued March 25, 1987, the Commission instituted a general investgation and rulemaking proceeding to consider the adoption of a new approach to electric utility planning which is intended to identify those electric resource options which can be obtained for the total least cost to the ratepayers consistent with adequate, reliable service. By order issued December 8, 1988, the Commission adopted rules for Least Cost Integrated Resource Planning which define an overall framework within which the planning process will take place. Integrated resource planning is a strategy which considers conservation, load management, and other demand-side programs along with new generating plants, cogeneration, and other supply-side options in providing cost effective, high quality electric service.

The Commission held public hearings in October 1989, and again January, 1990 to consider the least cost integrated resource plans which are required to be filed by the electric utilities pursuant to the General Statutes and the Commission Rules. The plans filed with the utilities will consist of three components: a 15-year load forecast; an integrated resource plan; and a short-term action plan. The final order was issued May 17, 1990, adopting the least cost integrated resource plans. There have also been orders issued for clarification and amendments.

2. The Alternative Energy Corporation

Creation and Structure

The North Carolina Alternative Energy Corporation (AEC) was established by the North Carolina Utilities Commission in 1980 to identify, adapt, and promote alternative energy technologies and systems suited to North Carolina requirements. The AEC is a quasi-public, non-profit, private corporation that secures financial support from both the regulated and nonregulated electric suppliers in North Carolina. The AEC is the nation's only cooperative joint venture in energy between government and public and private power organizations. In early 1985, the original five-year lifetime for the corporation was extended to December 31, 1990, by action of the Utilities Commission following a full public hearing.

The AEC's projects are organized into five program areas that parallel energy use--agriculture, community, industry, residential/commercial, and utility. Specifically, the AEC has been mandated to educate consumers about energy, provide alternatives to current electric generation technologies, develop more economical sources of electric power, improve system efficiency and load factors and help to moderate the future cost of electric service.

The AEC's most effective role is to find, field test, and promote the use of the best techniques and technologies available so that: North Caro-

lina residents can have reliable and affordable energy for their homes and communities; industries and businesses can use the minimum necessary energy to increase their productivity and competitiveness; and utilities can provide their customers with high quality energy services at the lowest possible cost.

In an overall sense, benefits from AEC activities range from individuals having more control over the energy they use and pay for, to utilities needing to build fewer expensive central power plants. Both results are key to maintaining and improving our continued economic stability.

Utilities in the next few years will be required to meet increasing demands during peak periods either by reducing use of electricity at those times or by building new generating capacity. They are already working to increase the use of off-peak power capacity. To address these needs, the AEC Utility Program works with utilities to test new technologies and to investigate unconventional opportunities such as storing energy in large batteries, using off-peak energy to charge electric vans, and generating energy from ocean waves. The AEC also helps utilities by collecting data about their control of residential hot water heaters and air conditioners to reduce peak demand. By better understanding how their load control strategies are affected by weather, season, and time of day, they will be better able to get the peak reductions they need at minimum inconvenience to their customers.

C. Railroad Station Closings and Changes in Facilities

There were 78 railroad station closings and changes in facilities including station closings, railroad relocations, abandonments of tracks, retirements, and removals during the period January through December 1989. See Figure No. 11-3 in the Railroad section for more detailed information and listings.

D. Consumer Pocketbook Issues

1. General Rate Case Decisions 1971-1989

A summary of the Commission decisions in general rate cases for the 19-year period from 1971 through December 31, 1989, for the electric, gas, and telephone groups show that 59.1% of the amount requested has been granted. Broken down by groups the amounts granted were electric--60.3%; gas--65.6%; and telephone--53.3%. See Figure No. 2-2 for yearly totals.

During the most current 9-year period of 1981 through December 1989, the percentage granted for each group was less than for the previous 11 years. The amount granted during the most current 9 years was about 78% more than was granted during the previous 11-year period. The following table shows the progression of amounts requested and granted during the last eight years compared to the amounts requested and granted during the period from 1971 through 1980.

Period/Group		Requested (000's)	Granted (000's)	% Granted
1971-1980	Elec.	$1,003,063	$ 731,261	72.9
	Gas	54,512	36,633	67.2
	Phone	323,291	172,707	53.4
	Total	$1,380,866	$ 940,601	68.1
1981-1988	Elec.	$2,330,137	$1,279,941	54.9
	Gas	104,536	67,628	64.7
	Phone	603,293	321,536	53.3
	Total	$3,037,966	$1,669,105	54.9
1971 1988	Elec.	$3,333,200	$2,011,202	60.3
	Gas	159,048	104,261	65.6
	Phone	926,584	494,243	53.3
	Total	$4,418,832	$2,609,706	59.1

Many factors such as interest rates, quality of service, cost of fuel, availability of gas supplies, future demands for utility service and utility managerial efficiency contri-

bute to the final decisions reached by Commissioners in general rate case decisions. All of these factors are thoroughly investigated and evaulated by the Public Staff of the Commission for each rate case, and then presented to the Commission for consideration as to treatment in the case. Additionally, the Company and intervenors representing various groups and viewpoints offer expert testimony and their counsel engages in extensive cross examination of all pertinent testimony presented during the hearings. Some facts, however, lie beyond the control of the Commission and can account for even larger increases than the rate cases themselves. Cost of gas to the gas company from the State's only supplier, Transcontinental Gas Pipeline Corporation (TRANSCO) requires an adjustment to consumers' gas rates, but this type of adjustment is made through a staff conference rather than through a general rate case. Fuel consumed for the generation of electricity was adjusted at intervals through regular open conference and modified several times over the years until the current procedure of annual filings for rate adjustments for fuel cost was adopted on May 1, 1984. For both gas companies and electric companies, the price, or cost adjustment to the ultimate consumer, is not necessarily the result of just general rate cases and, in fact, these cost adjustments can have as much or an even greater effect on the cost of services to the ultimate consumer than any other aspect of the industry.

2. N.C. Utility Rates vs. Consumer Price Index (CPI)

The Consumer Price Index for All Urban Consumers (CPI-U) reflects the average change in the retail prices of a fairly broad but select "market basket" of consumer goods and services. It has been the most popular index because it is reported monthly as opposed to the quarterly publication of the Gross National Product Deflator, and it is not revised after its initial publication. For the year 1989, residential electric rates increased over the 1988 rates from an average of 7.32 cents per kWh to 7.43 or 1.1% for this same period, the CPI-U increased from 354.3 to 371.3 or 4.61%.

North Carolina residential customer usage of kWhs of electricity decreased in 1988 over 1987 by .8% whereas the U.S. average decreased by approximately 5.6%. North Carolina usage has consistently exceeded the national average, this is partially due to the North Carolina rates per kWh being lower than the national average. The average North Carolina cost for each residential kWh in 1988 was 7.32 cents vs. the national average of 7.42 cents or 2.0% lower.

The cost for a dekatherm of natural gas increased 4.40% in 1989 over 1988 vs. the 4.69% increase in the CPI-U.

The following table shows the electric, gas, and telephone utility costs compared to the CPI-U for the years of 1975 through 1987 and 1988 to 1989.

E. Regulatory Fees

On August 12, 1989, the General Assembly authorized the Commission to start charging a regulatory fee effective for the first quarter beginning July 1, 1989, for all utilities under the jurisdiction of the Commission, based on their annual revenues. The purpose of the fee is for defraying the cost of regulating public utilities.

N.C. Utility Rates vs. Consumer Price Index (CPI)

Year Ended December 31	Average Residential Electric Rates Per kWh (Cents)	Average Residential Gas Rates Per Dekatherm ($)	Average Monthly Telephone Bill For Local Service (All Customers) ($)	Consumer Price Index All Urban Consumers
1975	3.09	$2.05	$14.88	161.2
1980	4.29	$4.08	$19.78	246.8
1984	6.64	$6.52	$22.37	311.1
1985	6.86	$6.46	$22.64	322.2
1986	7.15(a)	$6.50(b)	$22.30(c)	328.4
1987	7.31(a)	$6.54(b)	$21.94(c)	340.4
1975-1987 % Change	136.6%	219.03%	47.48%	111.17%
1988	7.30(a)	$6.14(b)	$21.06(c)	354.3
1989	7.41(a)	$6.41(b)	$21.61(c)	371.3
1988-1989 % Change	1.51%	4.40%	2.55%	4.61%

(a) This figure is a composite of the four major Electric companies in operation in North Carolina.

(b) This figure is a composite of the four Class A North Carolina Gas Companies.

(c) This figure is the local service revenues divided by the total yearly average number of business and residential access lines on a monthly basis for the twelve largest North Carolina telephone companies.

FIGURE NO. 2-1

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION
DURING THE CALENDAR YEAR ENDED DECEMBER 31, 1989

DESCRIPTION	YEAR	BUSES	ELECTRIC	GAS	RAILROADS	TELEPHONE	TRUCKS	WATER & SEWER	GEN. & MISCELL.	GRAND TOTALS
Total Proceedings Before Commission	1989	12	57	51	12	513	811	189	26	1,671
Disposition of Proceedings										
1. Formal hearing held with orders to follow:	1989	12	23	17	12	43	90	70	21	288
2. Conferences with informal hearings held with the following type of decisions resulting:										
a. Regular and Letter Type	1989	0	34	34	0	470*	62	119	5	724
b. Short form orders issued	1989						659			659
Total Proceedings Accounted For	1989	12	57	51	12	513	811	189	26	1,671
Percent of Grand Total	1989	0.72%	3.41%	3.05%	0.72%	30.70%	48.53%	11.31%	1.56%	100.00%
Cases on Appeal at 12-31-89		0	3	3	0	1	3	0	0	10
Docketed Cases Open at 12-31-89		28	28	8	10	37	85	29	3	228

*Includes 376 tariff filings and 25 map filings.

FIGURE NO. 2-2
ELECTRIC, GAS, & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR CALENDAR YEARS 1971-1989 (A)
($000s)

Electric Group	Requested	Granted	% Granted
1971	$56,533	$39,045	69.1
1972	63,728	48,120	75.5
1973	32,555	22,769	69.9
1974	144,793	61,439	42.4
1975	186,871	175,255	93.8
1976	82,656	82,656	100.0
1977	77,711	49,615	63.8
1978	83,996	51,423	61.2
1979	35,511	28,314	79.7
1980	238,709	172,625	72.3
Sub Total	$1,003,063	$731,261	72.9
1981	$379,813	$299,200	78.8
1982	382,009	80,244	21.0
1983	298,072	186,919	62.7
1984	364,717	195,541	53.6
1985	292,763	157,671	53.9
1986	236,455	133,080	56.3
1987	173,351	92,467	53.3
1988	202,957	134,819	66.4
1989	0	0	0.0
Sub Total	$2,330,137	$1,279,941	54.9
Grand Total	$3,333,200	$2,011,202	60.3

Gas Group	Requested	Granted	% Granted
1971	$6,414	$4,955	77.3
1972	277	175	63.2
1973	7,220	2,264	31.4
1974	4,806	4,806	100.0
1975	5,952	4,817	80.9
1976	0	0	0.0
1977	4,451	1,514	34.0
1978	18,124	12,533	69.2
1979	5,984	4,353	72.7
1980	1,284	1,216	94.7
Sub Total	$54,512	$36,633	67.2
1981	$8,801	$5,610	63.7
1982	31,397	23,615	75.2
1983	13,615	3,057	22.5
1984	0	0	0.0
1985	19,744	15,049	76.2
1986	13,701	8,393	61.3
1987	357	244	68.3
1988	9,616	6,248	65.0
1989	7,305	5,412	74.1
Sub Total	$104,536	$67,628	64.7
Grand Total	$159,048	$104,261	65.6

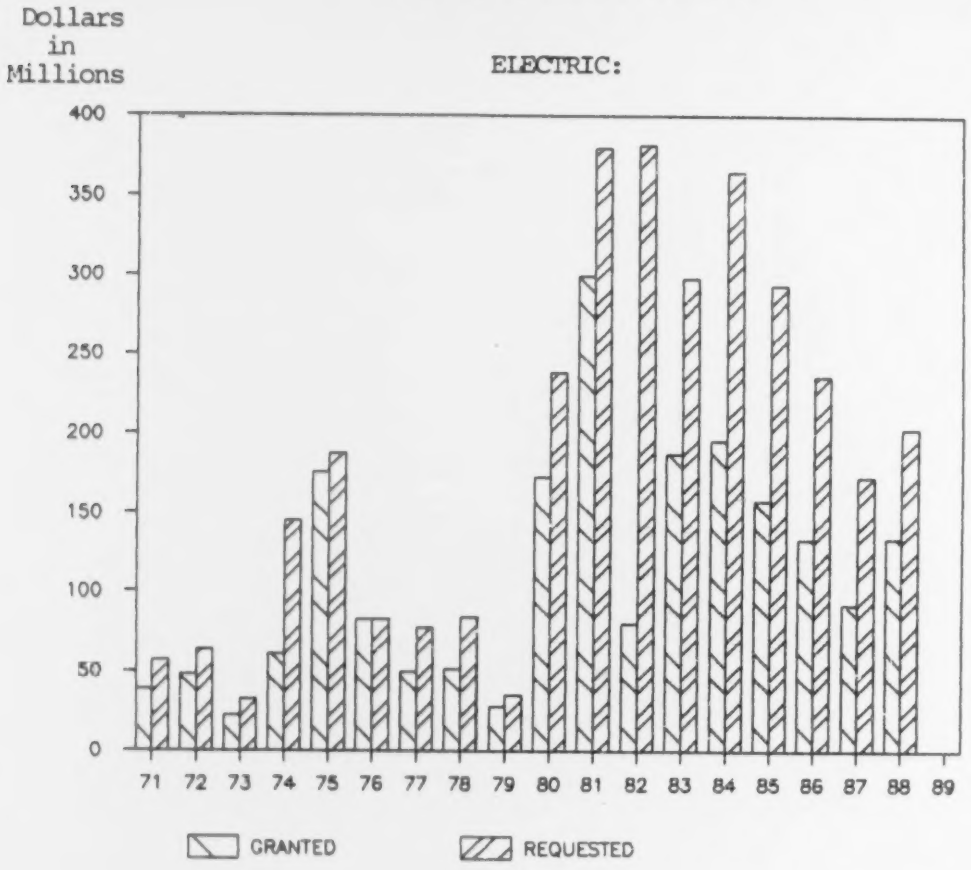
Telephone Group	Requested	Granted	% Granted
1971	$25,512	$14,722	57.7
1972	34,323	15,834	46.1
1973	9,299	3,993	42.9
1974	33,812	8,271	24.5
1975	76,477	51,015	66.7
1976	14,683	10,232	69.7
1977	4,325	3,591	83.0
1978	73,766	36,000	48.8
1979	5,812	3,560	61.3
1980	45,282	25,489	56.3
Sub Total	$323,291	$172,707	53.4
1981	$116,382	$74,526	64.0
1982	190,393	114,383	60.1
1983	177,407	67,559	38.1
1984(B)	104,105	56,757	54.5
1985	2,432	879	36.1
1986	11,862	7,077	59.7
1987	712	355	49.9
1988	0	0	0.0
1989	0	0	0.0
Sub Total	$603,293	$321,536	53.3
Grand Total	$926,584	$494,243	53.3

Electric, Gas, & Telephone Groups	Requested	Granted	% Granted
1971	$88,459	$58,722	66.4
1972	98,328	64,129	65.2
1973	49,074	29,026	59.1
1974	183,411	74,516	40.6
1975	269,300	231,087	85.8
1976	97,339	92,888	95.4
1977	86,487	54,720	63.3
1978	175,886	99,956	56.8
1979	47,307	36,227	76.6
1980	285,275	199,330	69.9
Sub Total	$1,380,866	$940,601	68.1
1981	$504,996	$379,336	75.1
1982	603,799	218,242	36.1
1983	489,094	257,535	52.7
1984	468,822	252,298	53.8
1985	314,939	173,599	55.1
1986	262,018	148,550	56.7
1987	174,420	93,066	53.4
1988	212,573	141,067	66.4
1989	7,305	5,412	74.1
Sub Total	$3,037,966	$1,669,105	54.9
Grand Total	$4,418,832	$2,609,706	59.1

(A) Regarding the columns entitled amounts requested and granted, the final amounts requested from the utility companies are listed.

(B) These figures include an amount ($4,781,000) of toll revenues from the American Telephone & Telegraph Company toll settlement hearing (Docket No. P-100, Sub 69, dated 9-14-84).

FIGURE NO. 2-2 CONTINUED



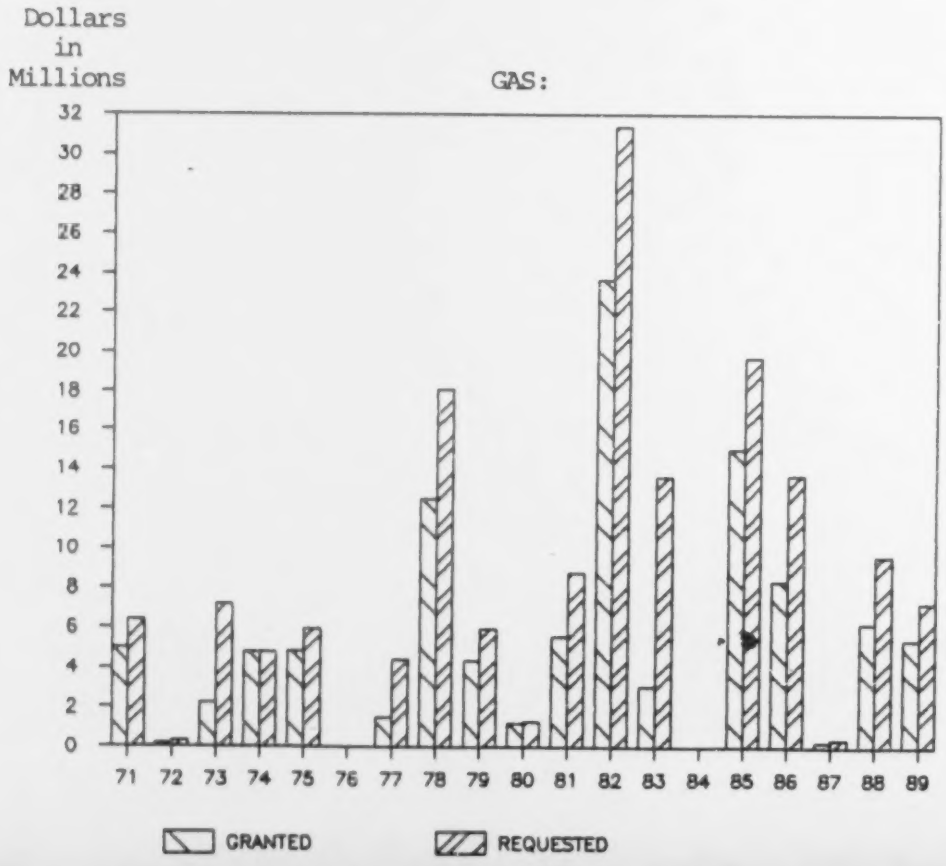
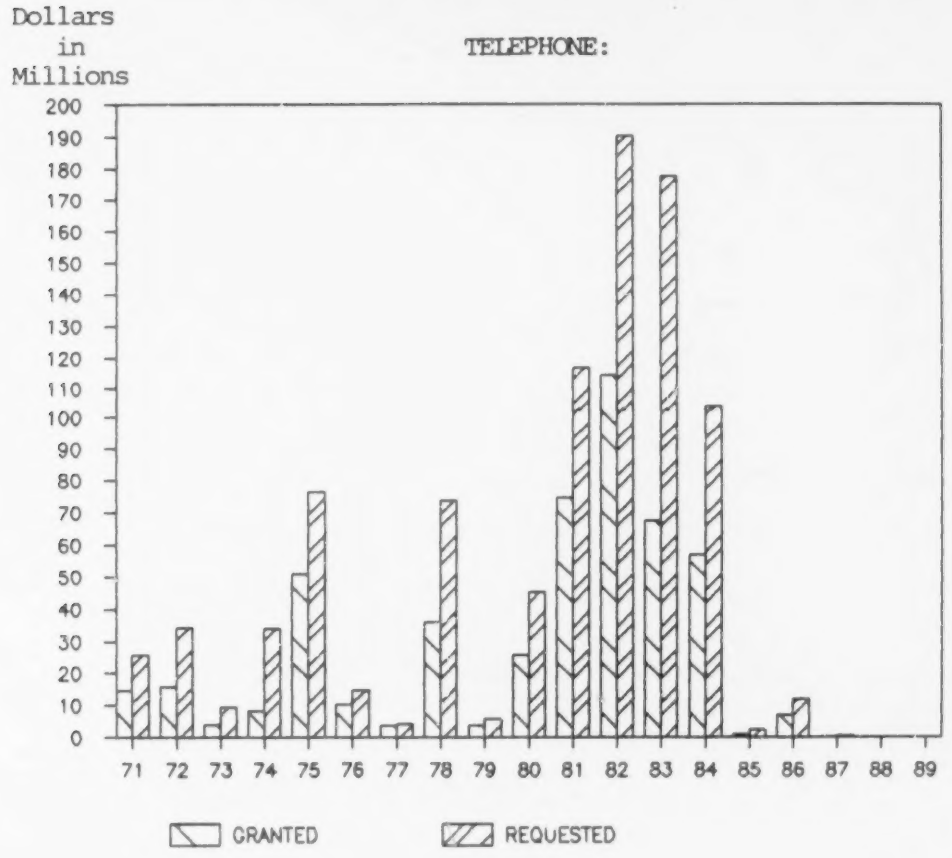
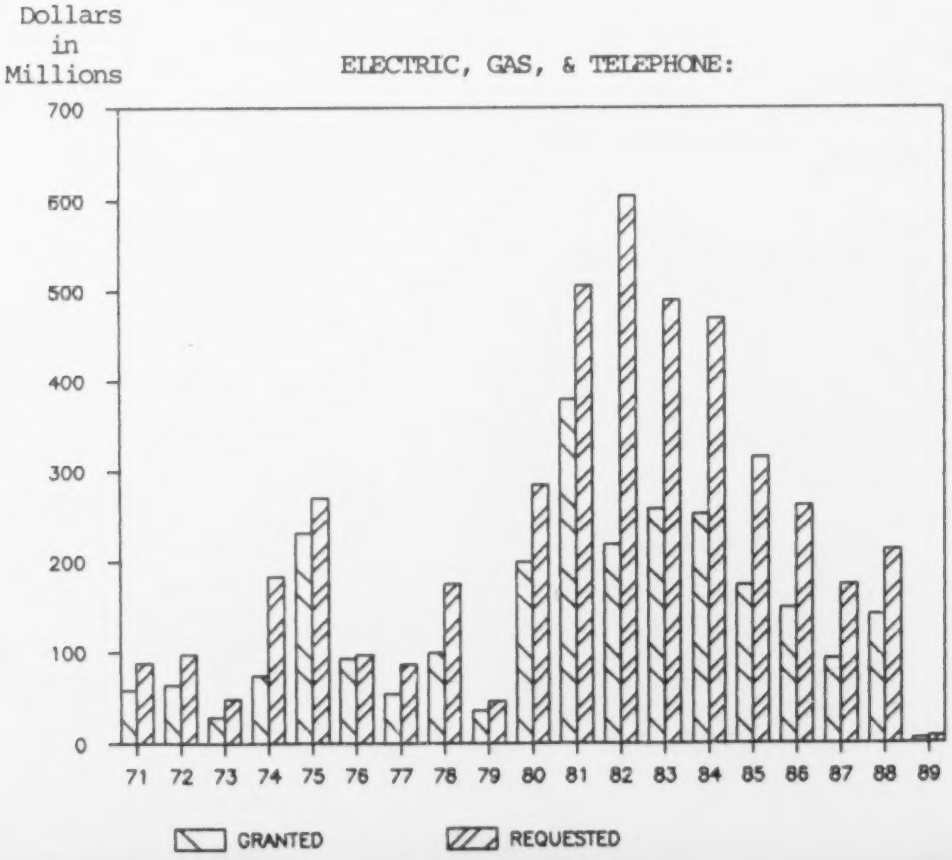


FIGURE NO. 2-2 CONTINUED





III. Summary Of The Commission Activities And Operations — 1988 And Prior Years

A. OVERVIEW OF SIZE, OPERATING RESULTS, AND NUMBER OF COMPANIES REGULATED

As shown on Figure No. 3-1, the major regulated electric, gas, and telephone companies experienced increases in plant investment, total capitalization, and total customers served or access lines in service. At December 31, 1988, there were 1,647 companies regulated by the North Carolina Utilities Commission as compared with 1,534 in 1987. In addition, 80 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a grand total of 1,727 utilities regulated or required to file annual reports as of December 31, 1988. Many changes take place annually in various utility groups since new companies are being certified and others are being deleted because of sales, mergers, and abandonments. See Figure No. 3-2.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties, the Commission maintains a full docket of formal and semiformal hearings and conferences. There are many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff). These complaints are handled through discussions with utility customers, executives, representatives, organizations, and associations.

During 1988, there were 1,989 proceedings acted upon, as compared to 1,863 proceedings in 1987. There were 246 formal hearings and 1,743 informal hearings in 1988. In 1987 there were 255 formal hearings and 1,608 informal hearings.

The proceedings required much time and effort by personnel of both the Commission and Public Staff and even more time in actual public hearings. The number of pages transcribed by the court reporters for the years 1975 through 1988 are as follows:

Year	No. of Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057
1979	28,442
1980	28,829
1981	34,205
1982	25,447
1983	28,191
1984	27,737
1985	23,051 (a)
1986	20,510 (a)
1987	16,716 (a)
1988	21,611 (a)

(a) The number of full-time court reporters vary from year to year, and in 1986 one position was eliminated. As a result of the fluctuation in the number of reporters, outside court reporting firms transcribed 6,090 additional pages in 1985, 1,755 additional pages in 1986, 2,634 additional pages in 1987 and 4,767 additional pages in 1988

The general rate increase hearings continued to generate much public interest in 1988. The Attorney General represented some segments of the public sector who wished to intervene, while others provided their own legal counsel. In addition, the Public Staff intervened in most cases and made their recommendations to the Commissioners. The Public Staff was created by the 1977 Legislature as an independent advocate charged with the responsibility of representing the using and consuming public.

Many docketed issues are settled by letter type orders and rulings. There were 726 letter-type orders issued in 1988. These are largely matters in which no one has intervened or no general public interest has been

demonstrated, as in the case of many gas, electric, telephone, and transportation filings. This type of proceeding generally requires only about 10% to 20% of the time of the Commission staff and Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into formal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1989 was 5,173, compared to 5,045 in 1988 and 5,257 in 1987.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1988

The regulated utility companies made significant contributions to the economy of the State during 1988. There were 1,737 major utility companies in 1988 compared to 1,614 major utility companies in 1988. Figure Nos. 3-3, 3-4, and 3-5 portray the magnitude of the contributions in chart and table form. In 1988 employment by the utilities showed an increase of 2.4% from the previous year. Salaries and wages paid to the utility employees continued to increase in dollar amounts from more than $2.7 billion in 1987 to $2.9 billion in 1988, a 12.2% increase. It should be noted that the salaries and wages paid by motor freight and motor passenger carriers include some nonregulated salaries and wages. Accurate and precise separated data is not currently available.

State income, franchise, and property taxes paid by the regulated sector of the State's business community continued to be substantial.

Type Taxes	Utilities Percent of State Totals 1987	1988
State Franchise Taxes	69.4	66.5
Local Property Taxes	5.2	5.2
State Income Taxes (Corporations Only)	14.5	12.2
Bus and Truck Fees	14.7	15.2
Total of Above Taxes	13.7	12.6

In 1988, gross operating revenues continued to increase for both electric and telephone utilities. Figure No. 3-5 depicts this growth with the four Class A electric companies showing an increase of 2.7% in 1988 compared to 1987.

Investment in gross plant allocated to North Carolina by the electric, gas, and telephone utility companies continued to increase over the previous year. There was a 6.6% increase in the 1988 total gross plant allocated to North Carolina compared to the previous year, making a total of more than $21 billion as of December 31, 1988, ($21,393,774,000). The increased electric and gas plant investment will serve the increasing number of electric and gas customers which numbered 2,569,993 in 1988 compared to 2,494,843 in 1987. In 1988 there were 2,985,528 telephone access lines reported compared to 2,866,727 in 1987. The telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines (P-100, Sub 58, dated January 11, 1982). As a result of the 4.4% increase in access lines, more funds will be required to provide adequate service to these additional access lines. The use of the term "access" lines instead of "main" lines and the change in method of counting these lines results primarily from the divestiture of American Telephone and Telegraph Company of its operating companies.

The regulated motor freight, motor passenger, and railroad industries play

an important role in the industry of North Carolina. However, due to accounting classification changes and the changes in reporting of information by carriers, less information was available than has been in the past. For detailed information please refer to section nine for The Transportation Industry -- Motor Freight Carriers, section ten for The Transportation Industry -- Motor Passenger Carriers, and section eleven for The Transportation Industry -- Railroads.

FIGURE NO. 3-I

HIGHLIGHTS OF ACTIVITIES
ELECTRIC, GAS, & TELEPHONE UTILITIES
1988 VS. 1987
(Dollars in Thousands)

HIGHLIGHTS OF ACTIVITIES	ELECTRIC - MAJOR COMPANIES			GAS - ALL CLASSES			TELEPHONE - ALL CLASSES		
	1987	1988	% Change	1987	1988	% Change	1987	1988	% Change
Revenues and Expenses (N.C. Only):									
Operating Revenues	$4,559,258	$4,682,511	2.7	$615,345	$596,612	(3.0)	$2,455,867	$2,555,918	4.1
Operating Expenses	3,687,193	3,772,693	2.3	564,356	538,253	(4.6)	2,046,409	2,125,853	3.9
Net Operating Income Including Taxes	$872,065	$909,818	4.3	$50,989	$58,359	14.5	$409,458	$430,065	5.0
Other Income (Deductions) Net (A)	201,399	64,101	(68.2)	3,348	2,913	(13.0)	26,511	7,881	(70.3)
Fixed Charges	391,231	387,815	(0.9)	21,264	22,721	6.9	103,581	107,117	3.4
Net Income	$682,233	$586,104	(14.1)	$33,073	$38,551	16.6	$332,388	$330,829	(0.5)
Plant (N.C. Only):									
Gross Plant (B)	$13,766,242	$14,482,241	5.2	$699,873	$788,174	12.6	$5,519,601	$6,213,359	12.6
Accumulated Depreciation	3,381,266	3,767,663	11.4	214,825	232,843	8.4	1,751,503	2,241,330	28.0
Net Plant	$10,384,976	$10,714,578	3.2	$485,048	$555,331	14.5	$3,768,098	$3,972,029	5.4
Capital Structure (Systemwide):									
Capital Stock & Surplus	$10,342,966	$10,660,319	3.1	$264,022	$310,540	17.6	$8,252,925	$8,908,617	7.9
Long-Term Debt	9,093,216	9,130,846	0.4	234,440	276,167	17.8	5,263,425	5,117,517	(2.8)
Total Capital Structure	$19,436,182	$19,791,165	1.8	$498,462	$586,707	17.7	$13,516,350	$14,026,134	3.8
Long-Term Debt % of Total Capitalization	46.8	46.1	(1.4)	47.0	47.1	0.1	38.9	36.5	(6.3)
Other Statistics (N.C. Only):									
Total Customers Yearly Average	2,025,286	2,083,964	2.9	469,557	486,029	3.5			
Average Number of kWhs per Residential Customer	12,472	12,375	(0.8)						
Average Number of Mcfs Used per Residential Customer				82	85	3.7			
Average Revenue per Residential Customer Residential Customer (cents)	$7.31	$7.32	0.1	$6.54	$6.14	(6.1)			
Total Access Lines in Service							2,866,727	3,633,897	26.8
Average No. of Calls per Access Line: (C)									
Local							3,027	2,769	(8.5)
Toll							574	307	(46.5)

(A) Includes all allowance for funds used during construction (AFUDC) and all extraordinary and delayed items.
(B) Includes Plant in Service, Under Construction, Held for Future Use, and Leased to Others.
(C) Information available for the nine largest telephone companies.

FIGURE NO. 3-2

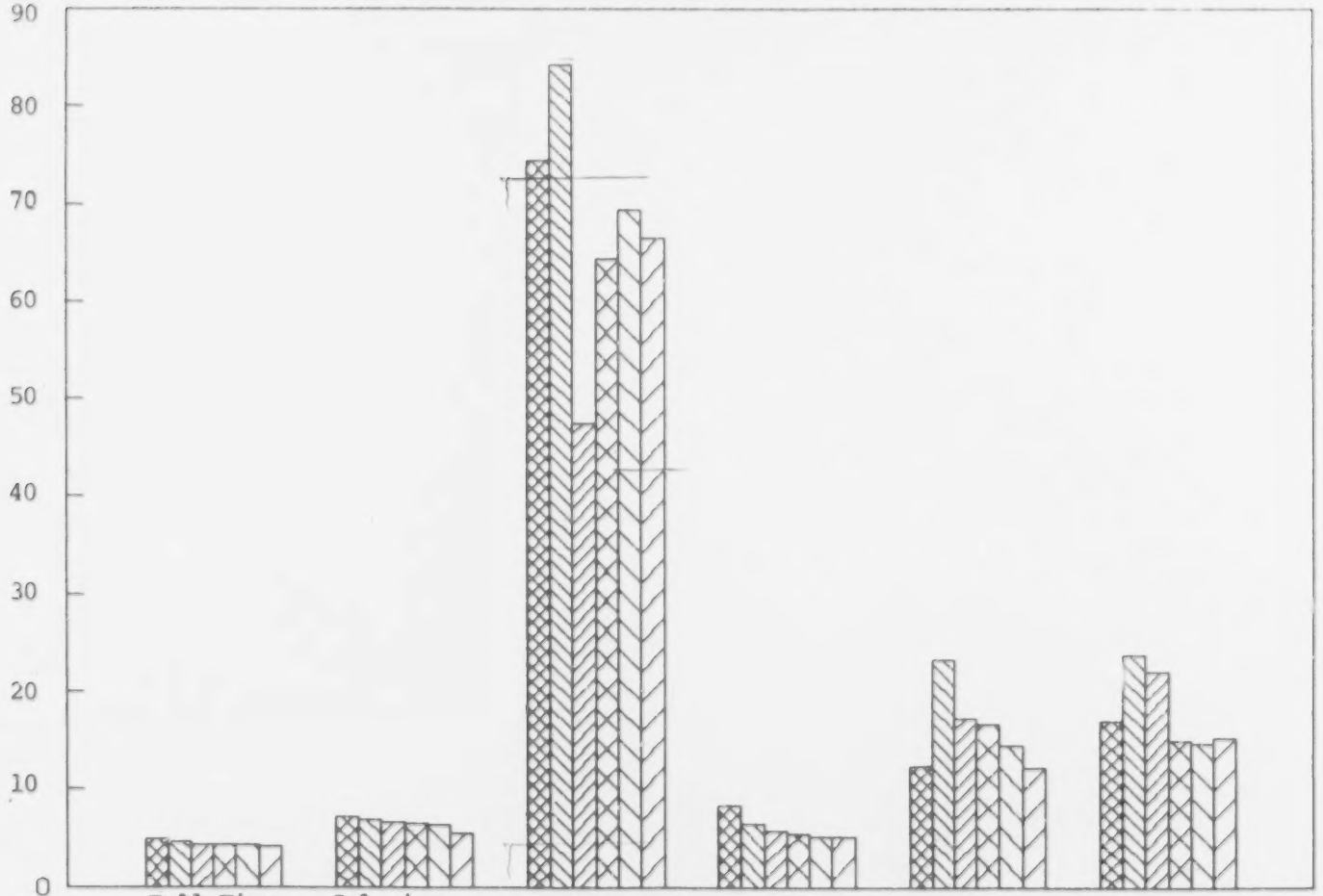
MAJOR UTILITIES REGULATED AND REPORTING TO THE
NORTH CAROLINA UTILITIES COMMISSION
1984, 1985, 1986, 1987, 1988

Type of Utility or Service	Number as of December 31				
	1984	1985	1986	1987	1988
Electric	7	6	6	6	6
Gas	4	4	4	4	4
Motor Freight Carriers by Type:					
Common Carriers	642	681	789	743	812
Contract Carriers	195	209	162	180	197
Common & Contract Carriers	53	57	49	66	64
Railroad Motor Freight Carriers	0	0	0	0	0
Total Motor Freight Carriers	890	947	1,000	989	1,073
Motor Passenger Carriers by Type:					
Common Carriers	45	46	46	41	57
Contract Carriers	1	1	2	1	1
Intracity Carriers (Fares only regulated)	2	2	4	2	2
Total Motor Passenger Carriers	48	49	52	44	60
Motor Boat Common Carriers	3	3	3	3	3
Railroad Companies	20	22	21	23	25
Transportation Brokers	62	58	58	61	62
Telephone	20	20	20	20	20
Telegraph	1	1	1	1	1
Water & Sewer	378	386	380	383	393
Total Utilities Under Regulation	1,433	1,496	1,545	1,534	1,647
Municipal Utility Systems Required to File Annual Reports with N.C. Utilities Commission:					
Electric	71	71	71	71	71
Gas	8	8	8	8	8
Telephone	1	1	1	1	1
Total Municipals Filing Annual Reports	80	80	80	80	80
Grand Total of all Utilities Regulated or Required to File Reports	1,513	1,576	1,625	1,614	1,727

FIGURE NO. 3-3

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
1979, 1984, 1985, 1986, 1987, & 1988

Utilities Percent of State Totals



1988 Data (Dollars in 000's)

Utilities	103,567	$ 2,996,615	$198,561	$ 108,175	$ 76,231	$11,506
State Total	2,507,745	$54,993,366	$298,550	$2,078,463	$625,973	$75,711

1979 1984 1985 1986 1987 1988

FIGURE NO. 3-4

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA

SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES

PAID OR LEVIED--FOR THE YEARS 1974, 1979, 1984, 11985, 1986, 1987 AND 1988

NUMBER OF FULL-TIME EMPLOYEES (N.C. PORTION ONLY)

UTILITY	1974	1979	1984	1985	1986	1987	1988
Electric (Major)	14,524	17,959	21,017	21,798	23,075	22,575	22,475
Gas	1,851	1,891	2,305	2,404	2,697	2,577	2,646
Telephone	20,146	21,188	17,170	16,523	16,309	16,660	16,772
Motor Freight Carriers (A)	37,183	41,734	46,298	47,917	49,633	52,719	55,061
Motor Passenger Carriers (A)	2,770	2,168	2,197	2,076	2,166	2,041	1,942
Railroads	7,515	6,987	6,183	5,428	5,072	4,541	4,644
Western Union	239	110	66	53	40	29	27
Total Utilities	84,228	92,037	95,236	96,199	98,992	101,142	103,567
Total for State (A)	1,724,709	1,935,641	2,138,137	2,223,223	2,297,759	2,393,592	2,507,745
Utilities % of State Total	4.9%	4.8%	4.5%	4.3%	4.3%	4.2%	4.1%

SALARIES AND WAGES PAID N.C. EMPLOYEES (000S)

UTILITY	1974	1979	1984	1985	1986	1987	1988
Electric (Major)	$168,099	$297,320	$586,984	$647,158	$705,671	$753,196	$775,522
Gas	17,094	26,774	48,771	53,141	59,957	62,080	67,940
Telephone	206,008	359,413	458,157	474,053	490,138	526,986	557,900
Motor Freight Carriers (A)	397,185	657,291	941,821	974,330	1,035,028	1,141,861	1,418,320
Motor Passenger Carriers (A)	22,578	27,787	36,736	34,909	37,153	33,433	31,079
Railroads	100,255	136,493	160,162	154,903	138,017	151,041	145,017
Western Union	1,899	1,324	2,219	2,186	1,181	920	837
Total Utilities	$913,118	$1,506,402	$2,234,850	$2,340,680	$2,467,145	$2,669,517	$2,996,615
Total for State (A)	$13,107,494	$21,050,398	$32,761,445	$35,586,322	$38,561,539	$42,366,808	54,993,366
Utilities % of State Total	7.0%	7.2%	6.8%	6.6%	6.4%	6.3%	5.4%

AVERAGE ANNUAL COMPENSATION

UTILITY	1974	1979	1984	1985	1986	1987	1988
Electric (Major)	$11,754	$16,555	$27,929	$29,689	$30,582	$33,364	$34,506
Gas	9,235	14,159	21,159	22,105	22,231	24,090	25,676
Telephone	10,226	16,963	26,683	28,690	30,053	31,632	33,264
Motor Freight Carriers	10,682	15,750	20,343	20,334	20,854	21,659	25,759
Motor Passenger Carriers	8,151	12,817	16,721	16,816	17,153	16,381	16,004
Railroads	13,341	19,535	25,904	28,538	27,212	33,262	31,227
Western Union	7,946	12,036	33,621	41,245	29,525	31,724	31,000
Total Utilities	$10,841	$16,367	$23,466	$24,332	$24,923	$26,394	$28,934
Total for State (A)	$7,600	$10,875	$15,322	$1[illegible],007	$16,782	$17,700	$21,929

(A) Table 1, "Insured Employment & Wage Payments" for years reported: Motor Freight--Industry Groupp 421; Motor Passenger--Industry Group 411 & 413. This data includes both regulated and nonregulated. The regulated freight carriers number about 1/3 and the passenger carriers about 58% of the totall carriers included in the statewide industry groupings. A reliable andd accurate separation between regulated and nonregulated wages and ssalaries for these groups is not available. State totals are for all industries with insured employment.

FIGURE NO. 3-4 CONTINUED
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1974, 1979, 1984, 1985, 1986, 1987 AND 1988

STATE FRANCHISE TAXES (000S)

UTILITY	1974	1979	1984	1985	1986	1987	1988
Electric (Major)	$63,952	$117,579	$212,661	$113,854	$119,412	$128,361	$131,318
Gas	8,469	20,427	43,728	20,894	18,802	19,851	19,056
Telephone	25,982	46,989	71,511	42,579	30,358	44,511	46,208
Railroads (A)	1,507	1,713	1,618	1,399	2,948	2,218	1,957
Western Union (A)	32	41	44	41	42	22	22
Total Utilities	$99,942	$186,749	$329,562	$178,767	$171,562	$194,963	$198,561
Total for State (B)	$111,742	$250,918	$391,316	$377,154	$266,795	$280,968	$298,550
Utilities % of State Total	89.4%	74.4%	84.2%	47.4%	64.3%	69.4%	66.5%

LOCAL PROPERTY TAXES (000S)

UTILITY	1974	1979	1984	1985	1986	1987	1988
Electric (Major)	$22,806	$33,393	$43,186	$42,695	$53,225	57,310	65,357
Gas	2,731	2,984	3,594	3,958	4,201	4,049	4,729
Telephone	20,655	30,084	29,729	30,697	31,848	31,454	31,500
Motor Freight Carriers	1,721	1,513	1,444	1,484	2,066	2,447	2,887
Railroads	3,427	4,613	7,426	5,001	2,630	3,436	3,668
Western Union (C)	66	56	68	69	53	41	34
Total Utilities	$51,406	$72,643	$85,447	$83,904	$94,023	$98,737	$108,175
Total for State (D)	$614,893	$867,422	$1,338,227	$1,468,470	$1,753,362	$1,906,847	$2,078,463
Utilities % of State Total	8.4%	8.4%	6.4%	5.7%	5.4%	5.2%	5.2%

STATE INCOME TAXES (000S)

UTILITY	1974	1979	1984	1985	1986	1987	1988
Electric (Major)	$2,341	$16,460	$55,737	$51,130	$45,023	$32,890	$34,320
Gas	933	1,420	2,380	881	1,564	3,592	3,138
Telephone	7,071	14,223	23,405	27,259	30,384	36,832	27,754
Motor Freight (Class I & II) (E)	1,159	1,500	3,443	3,502	3,694	4,448	5,338
Motor Passenger Carriers (E)	113	177	57	51	54	52	52
Railroads	644	1,326	565	1,356	4,514	4,172	5,629
Total Utilities	$12,261	$35,106	$85,587	$84,179	$85,233	$81,986	$76,231
Total for State (Corps.) (A)	$165,474	$284,669	$367,824	$489,656	$510,675	$563,529	$625,973
Utilities % of State Total	7.4%	12.3%	23.3%	17.2%	16.7%	14.5%	12.2%

BUS & TRUCK FEES (000S) (F)

UTILITY	1974	1979	1984	1985	1986	1987	1988
Motor Freight Carriers(Class I & II)	$9,468	$9,763	$14,479	$13,955	$9,871	$10,396	$10,916
Motor Passenger Carriers	526	603	783	754	534	562	590
Total Utilities	$9,994	$10,366	$15,262	$14,709	$10,405	$10,958	$11,506
Total for State	$39,793	$61,214	$64,528	$67,011	$69,200	74,445	75,711
Utilities % of State Total	25.1%	16.9%	23.7%	22.0%	15.0%	14.7%	15.2%

FOOTNOTES FOR FIGURE NO. 3-4

(A) "Statement of the Condition of the General Fund" for the appropriate year

(B) "Statement of the Condition of the General Fund" - total franchise taxes, plus "Tax Guide" - truck plate and international registration plan (IRP) taxes

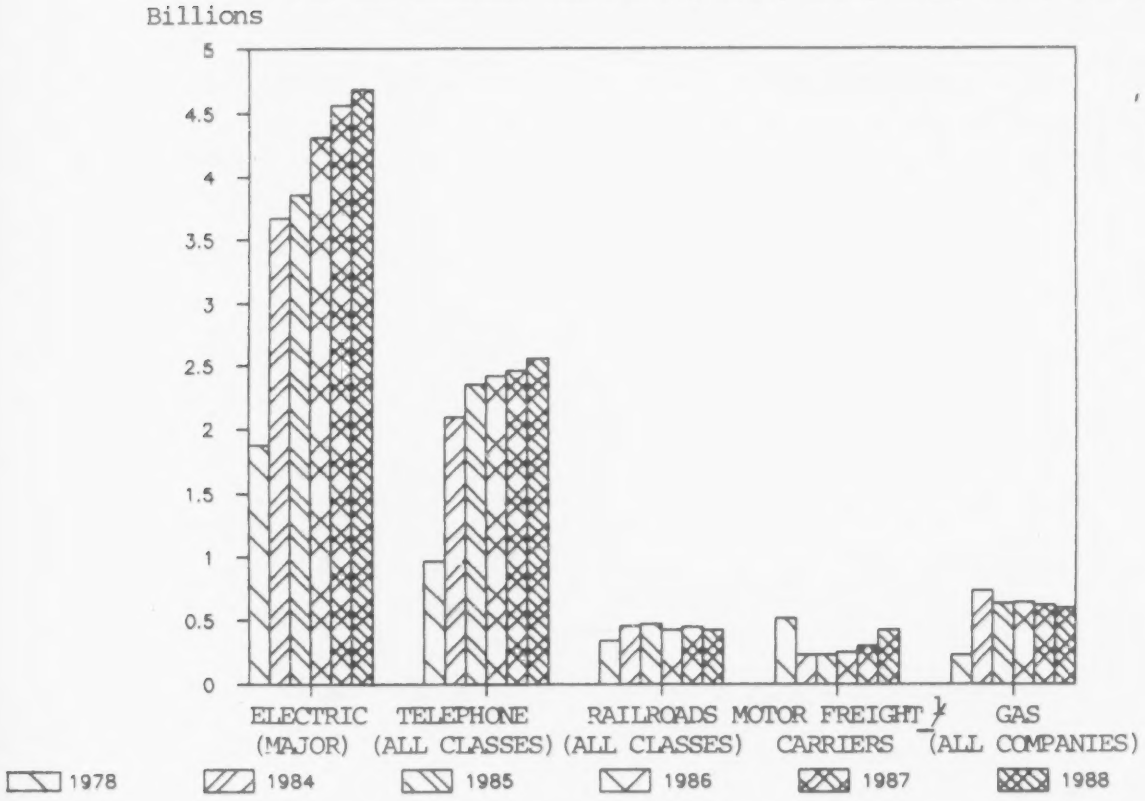
(C) Derived from the valuation of property and the property tax rate for the appropriate year. Numbers obtained from tables 73 and 77 of the "Statistics of Taxation"

(D) "Statistics of Taxation" table 60 for the appropriate year

(E) "Statistics of Taxation" table 41 for the appropriate year
The 1985-1987 state income taxes for Motor Freight & Motor Passenger Carriers was not available from the Tax Research Division of the NC Department of Revenue; therefore, the numbers have been calculated using the gross operating revenue % increase or decrease for the appropriate year and applying it to the previous year's income tax

(F) "Tax Guide" for the appropriate year

FIGURE NO. 3-5
GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
N.C. DATA ONLY
For the Calendar Years 1978, 1984, 1985, 1986, 1987, & 1988



	Motor Passenger carriers 2/	Water & Sewer 3/	Western Union
1978	$26.3 Million	$3.5 Million	$793 Thousand
1984	37.7 Million	8.1 Million	745 Thousand
1985	33.8 Million	8.3 Million	681 Thousand
1986	35.8 Million	11.4 Million	701 Thousand
1987	34.5 Million	12.8 Million	370 Thousand
1988	32.8 Million	16.1 Million	259 Thousand

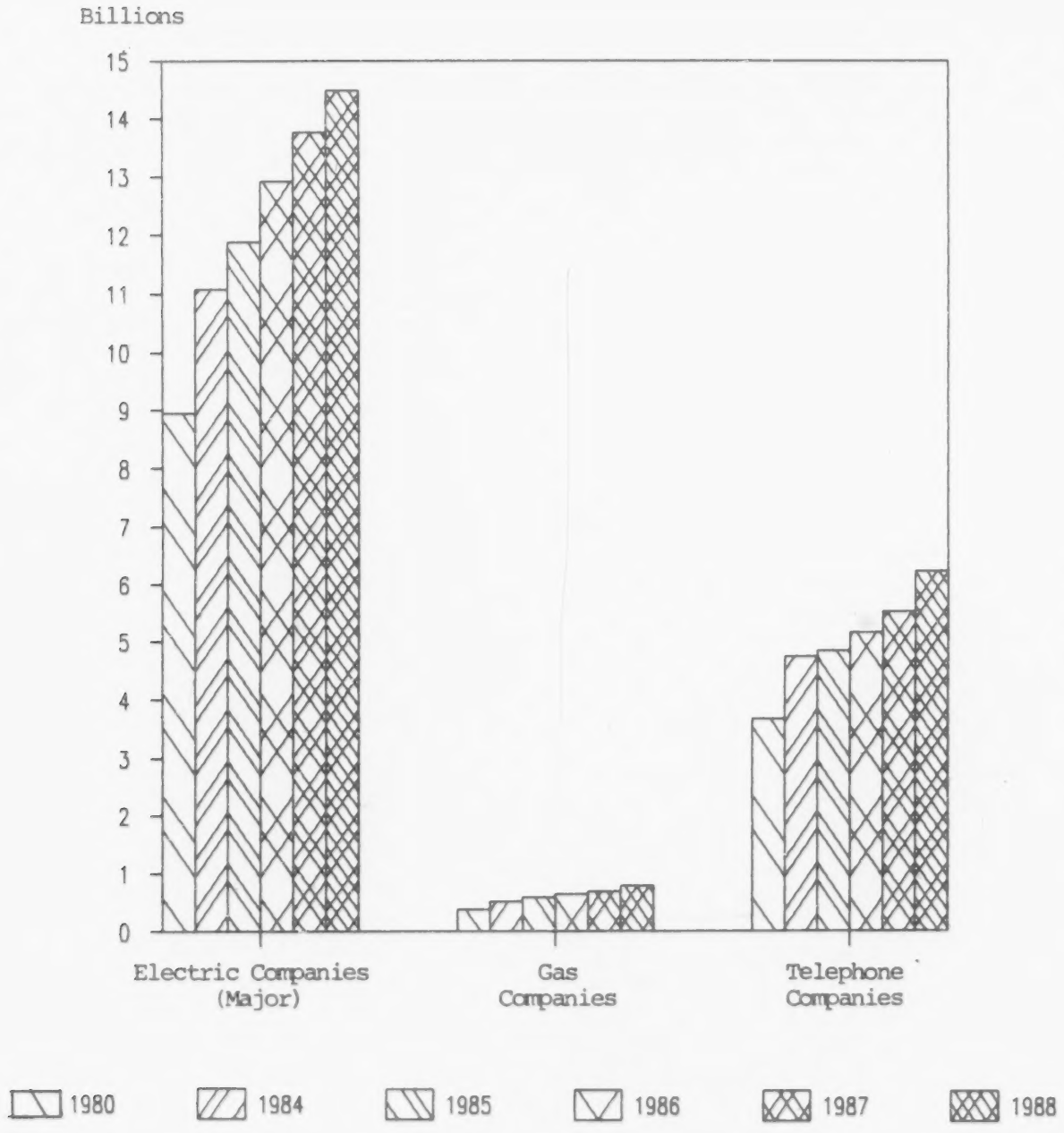
1/Classes I and II were used. ICC reclassification of carriers in 1979 reduced Class I and Class II carriers sharply.

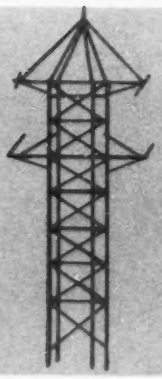
2/Includes Class I and II carriers.

3/For 1985, 13 of the larger companies. For 1986, 1987 & 1988, 14 of the larger companies.

FIGURE NO. 3-6

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC--GAS--TELEPHONE
For the Years 1980, 1984, 1985, 1986, 1987, & 1988





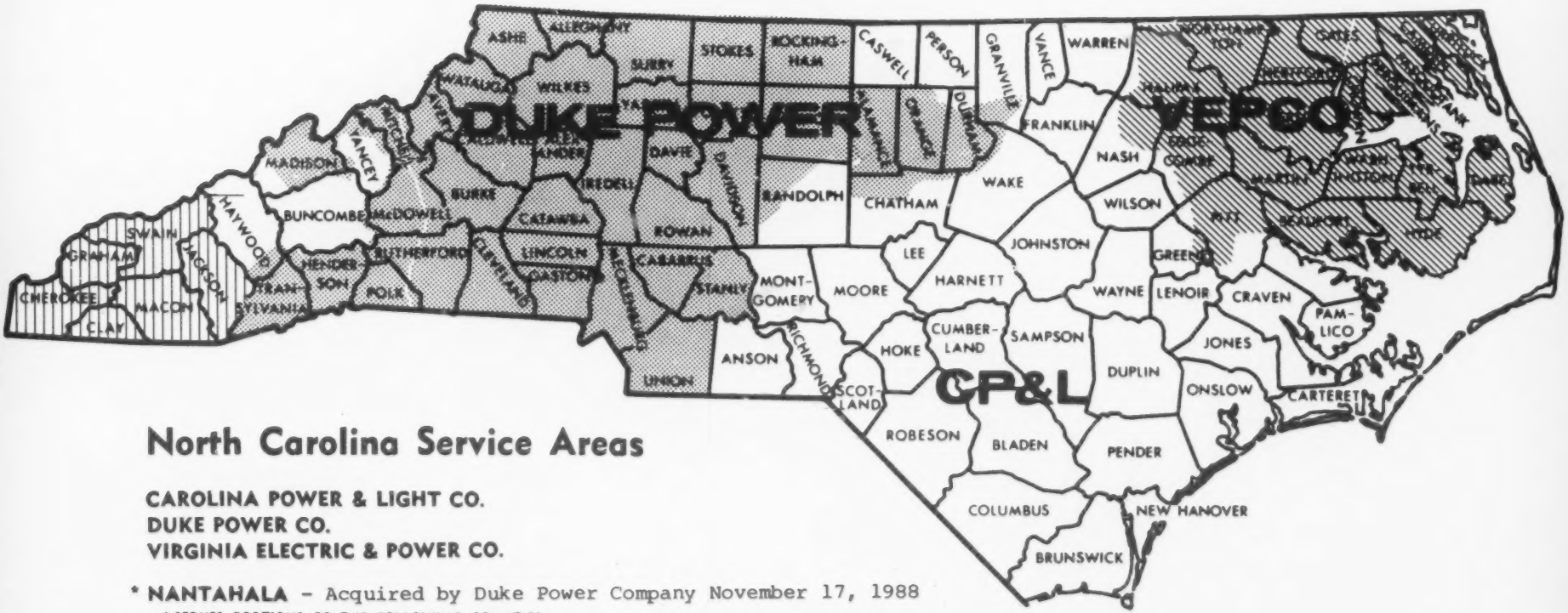
IV. The Electric Power Industry

FIGURE NO. 4-1

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission



North Carolina Service Areas

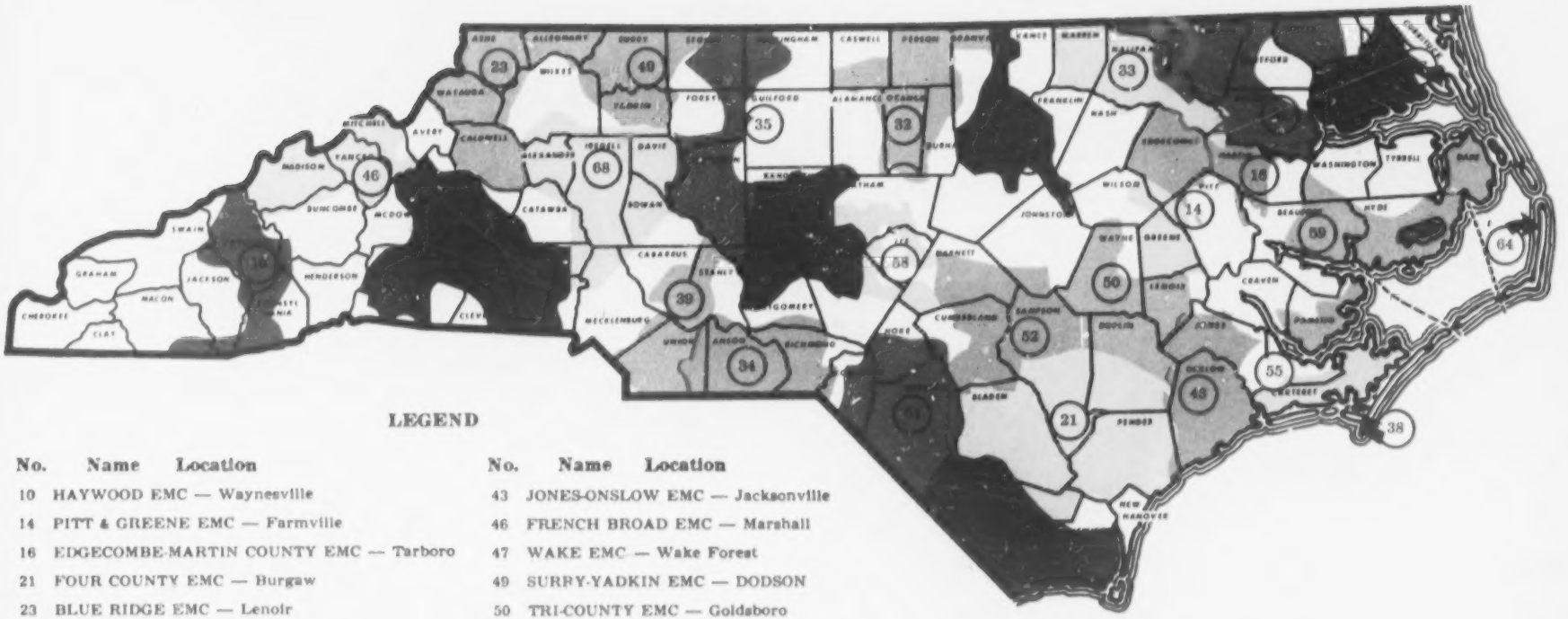
CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

* **NANTAHALA** - Acquired by Duke Power Company November 17, 1988

* SERVES PORTIONS OF THE FOLLOWING COUNTIES:
CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of
January 1, 1990

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS



LEGEND

No.	Name	Location
10	HAYWOOD EMC	— Waynesville
14	PITT & GREENE EMC	— Farmville
16	EDGECOMBE-MARTIN COUNTY EMC	— Tarboro
21	FOUR COUNTY EMC	— Burgaw
23	BLUE RIDGE EMC	— Lenoir
25	RUTHERFORD EMC	— Forest City
31	ROANOKE EMC	— Rich Square
32	PIEDMONT EMC	— Hillsborough
33	HALIFAX EMC	— Enfield
34	PEE DEE EMC	— Wadesboro
35	DAVIDSON EMC	— Lexington
36	RANDOLPH EMC	— Asheboro
38	HARKERS ISLAND EMC	— Harkers Island
39	UNION EMC	— Monroe
40	BRUNSWICK EMC	— Shallotte
43	JONES-ONSLOW EMC	— Jacksonville
46	FRENCH BROAD EMC	— Marshall
47	WAKE EMC	— Wake Forest
49	SURRY-YADKIN EMC	— DODSON
50	TRI-COUNTY EMC	— Goldsboro
51	LUMBEE RIVER EMC	— Red Springs
52	SOUTH RIVER EMC	— Dunn
55	CARTERET-CRAVEN EMC	— Morehead City
58	CENTRAL EMC	— Sanford
59	TIDELAND EMC	— Pantego
64	CAPE HATTERAS EMC	— Buxton
66	ALBEMARLE EMC	— Hertford
68	CRESCENT EMC	— Statesville

FIGURE NO. 4-2

Service Area Boundaries as of January 1, 1990

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION
3333 North Boulevard
Raleigh, N C 27604

FIGURE NO. 4-3

MAJOR ELECTRIC COMPANIES
At December 31, 1989

CAROLINA POWER & LIGHT COMPANY
RALEIGH, NORTH CAROLINA

Organized: April 6, 1926
Chairman, President, and Chief Executive Officer:
Sherwood H. Smith, Jr., Raleigh, N.C.
States Served: North Carolina and South Carolina

DUKE POWER COMPANY
CHARLOTTE, NORTH CAROLINA

Organized: May 1917
Chairman of the Board and President:
William S. Lee
Charlotte, N.C.
States Served: North Carolina and South Carolina

NANTAHALA POWER AND LIGHT COMPANY
ACQUIRED BY DUKE POWER COMPANY
NOVEMBER 17, 1988
FRANKLIN, NORTH CAROLINA

Organized: July 23, 1929
President and Chief Executive Officer:
E. N. Hedgepeth
Executive Vice-President:
N. E. Tucker, Jr.
State Served: North Carolina

VIRGINIA ELECTRIC AND POWER COMPANY
DOING BUSINESS AS
NORTH CAROLINA POWER COMPANY

Organized: June 29, 1909
Chairman of the Board and Director:
William W. Berry
President, Chief Executive Officer and Director: James T. Rhodes, PHD.
Richmond, Virginia
States Served: North Carolina and Virginia.

NON-MAJOR ELECTRIC COMPANIES
At December 31, 1989

COMPANY	COUNTY SERVED**
New River Light & Power	Watauga County
Western Carolina University	Jackson County

**Entire county is not served by the companies listed.

MUNICIPAL ELECTRIC SYSTEMS
AND SOURCE OF POWER

Municipality	Source of Power
Albemarle	Duke Power Company
Apex	Carolina Power & Light
Ayden	Carolina Power & Light
Belhaven	North Carolina Power
Benson	Carolina Power & Light
Black Creek	Wilson
Boone (ASU)	New River Light & Power
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company Shelby
Clayton	Carolina Power & Light
Concord	Duke Power Company
Cornelius	Duke Power Company Crescent Electric Membership Corporation
Dallas	Duke Power Company
Drexel	Duke Power Company Southeastern Power Administration
Edenton	North Carolina Power
Elizabeth City	North Carolina Power
Enfield	North Carolina Power
Farmville	Carolina Power & Light
Fayetteville	Carolina Power & Light
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	North Carolina Power
Hamilton	North Carolina Power
Hertford	North Carolina Power
High Point	Duke Power Company

FIGURE NO. 4-3 CONTINUED

At December 31, 1989

Highlands	Nantahala Power & Light
Hobgood	North Carolina Power
Hookerton	Carolina Power & Light
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company
Kinston	Carolina Power & Light
LaGrange	Carolina Power & Light
Landis	Duke Power Company
Laurinburg	Carolina Power & Light
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light
	Southeastern Power Administration
Lucama	Wilson
Lumberton	Carolina Power & Light
Macclesfield	Wilson
Maiden	Duke Power Company
Monroe	Duke Power Company
Morganton	Duke Power Company
	Southeastern Power Administration
Murphy	TVA
New Bern	Carolina Power & Light
Newton	Duke Power Company
Oak City	Edgecombe-Martin Electric Membership Corporation
Pikeville	Carolina Power & Light
Pinetops	Wilson
Pineville	Duke Power Company
Red Springs	Carolina Power & Light
Robersonville	North Carolina Power
Rocky Mount	Carolina Power & Light
Scotland Neck	North Carolina Power
Selma	Carolina Power & Light
Sharpsburg	Rocky Mount
Shelby	Duke Power Company
Smithfield	Carolina Power & Light
Southport	Carolina Power & Light
Statonsburg	Wilson
Statesville	Duke Power Company
Tarboro	North Carolina Power
Wake Forest	Carolina Power & Light
Walstonburg	Wilson
Washington	North Carolina Power
Waynesville	Carolina Power & Light
Wilson	Carolina Power & Light
Windsor	North Carolina Power
Winterville	Greenville

Total: 72

FIGURE NO. 4-4

N.C. ELECTRIC MEMBERSHIP CORPORATION
AND SOURCE OF POWER
At December 31, 1989

Electric Membership Corporation	Headquarters	Source of Power*
Albemarle	Hertford	NCEMC, SEPA
Blue Ridge	Lenoir	NCEMC, Duke, SEPA, Nantahala
Brunswick	Shallotte	NCEMC, CP&L, SEPA
Cape Hatteras	Buxton	NCEMC
Carteret-Craven	Morehead City	NCEMC, CP&L, SEPA
Central	Sanford	NCEMC, CP&L, SEPA
Crescent	Statesville	NCEMC, Duke, SEPA
Davidson	Lexington	NCEMC, Duke
Edgecombe-Martin County	Tarboro	NCEMC, SEPA
Four County	Burgaw	NCEMC, CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	NCEMC, CP&L, SEPA
Harkers Island	Harkers Island	NCEMC, CP&L
Haywood	Waynesville	NCEMC, CP&L, Duke, SEPA Nantahala
Jones-Onslow	Jacksonville	NCEMC, CP&L, SEPA
Lumbee River	Red Springs	NCEMC, CP&L, SEPA
Pee Dee	Wadesboro	NCEMC, CP&L, Duke, SEPA
Piedmont	Hillsborough	NCEMC, CP&L, Duke, SEPA
Pitt & Greene	Farmville	NCEMC, CP&L, SEPA
Randolph	Asheboro	NCEMC, CP&L, SEPA
Roanoke	Rich Square	NCEMC, CP&L, SEPA
Rutherford	Forest City	NCEMC, Duke, SEPA
South River	Dunn	NCEMC, CP&L, SEPA
Surry-Yadkin	Dobson	NCEMC, Duke
Tideland	Pantego	NCEMC, CP&L, SEPA
Tri-County	Dudley	NCEMC, CP&L, SEPA
Union	Monroe	NCEMC, Duke, SEPA
Wake	Wake Forest	NCEMC, CP&L, Duke, SEPA

* Carolina Power & Light Company (CP&L)
Duke Power Company (Duke)
Nantahala Power & Light Company (Nantahala)
North Carolina Electric Membership Corporation (NCEMC)
Southeastern Power Administration (SEPA)

FIGURE NO. 4-4 CONTINUED

FOREIGN ELECTRIC MEMBERSHIP CORPORATIONS [1]
At December 31, 1989

Electric Membership Corporations	Headquarters	Source of Power
Blue Ridge Mountain	Young Harris, Ga.	TVA [2]
Broad River Electric Cooperative, Inc.	Gaffney, S.C.	Saluda Electric Corporations [3]
Mecklenburg Electric Cooperative, Inc.	Chase City, Va.	SEPA, Old Dominion
Tri-State	McCaysville, Ga.	TVA
Mountain Electric Cooperative, Inc.	Mountain City, Tenn.	TVA

[1] Electric Membership Corporations that have operations in North Carolina but have headquarters in other states.

[2] Tennessee Valley Authority

[3] Until the fall of 1983 power was supplied by Duke Power Company and Southeastern Power Agency.

A. GENERAL COMMENTS

There were four major electric utilities operating in North Carolina at December 31, 1988: Carolina Power & Light Company (CP&L), Duke Power Company (Duke), North Carolina Power Company (NC Power), and Nantahala Power and Light Company (Nantahala).

Carolina Power & Light (CP&L) operates twenty-one coal-fired units at eight plants, four nuclear units at three plants, thirty-three combustion turbine generators at nine plants and fifteen hydroelectric units at four plants. CP&L provides electricity to approximately 785,000 North Carolina customers. The Company provides electricity to approximately 923,000 total customers within a 30,000 square-mile area whose population is approximately three million. CP&L's service area includes the Coastal Plains Section of North Carolina, a section in western North Carolina, and one-fourth of eastern South Carolina. The North Carolina Utilities Commission regulates approximately 66% of CP&L's energy sales. The North and South Carolina Commissions govern retail electric rates and the Federal Energy Regulatory Commission governs wholesale electric rates.

Duke Power Company is an investor-owned electric utility engaged in the generation, transmission, distribution, and sale of electric energy in the central portion of North Carolina and the western portion of South Carolina. In 1988 the Company's service area covered approximately 20,000 square miles with an estimated population of about 4.5 million. Duke Power Company provides electricity to approximately 1,165,000 North Carolina customers. The Company provides electricity to more than 1.55 million total customers. Duke Power Company ranks seventh in the United States among investor-owned utilities in kilowatt-hour sales. The Company's three nuclear generating stations (7 units), eight coal-fired stations (30 units), twenty-six hydroelectric stations (93 units), and one pump storage facility (4 units) produced 72.3 billion kilowatt-hours of electricity in 1988. The North Carolina Utilities Commission regulates approximately 58% of Duke's energy sales. Duke's Bad Creek Hydro-electric Station construction entered a dramatic new phase in 1988, as work began on the underground powerhouse. The $1.1 billion plant is a 1,065,000 kilowatt, pumped storage station that will begin producing power in the 1990's. The station is located near the North Carolina-South Carolina line in the western part of the State. Two stations will be completed in 1992, with two more completed in 1993. At the end of 1988, 42 % of the plant was completed. Duke's system of coal-fired plants has been ranked the most efficient in the nation for 15 consecutive years, including 1988. Four of Duke's units ranked in the top 10 most efficient plants in 1988. The headquarters for Duke Power Company is in Charlotte, North Carolina.

Virginia Power and Electric Company (Vepco) is the principal subsidiary of Dominion Resources, Inc., a holding company formed in 1983. Vepco provides service to northeastern North Carolina, where it does business as North Carolina Power. Vepco's service territory includes the urban corridor stretching from the suburbs of Washington, D.C., through Richmond to the Hampton Roads and Norfolk area of Virginia. The company provides electricity to approximately 88,000 North Carolina customers. Vepco provides electricity to approximately 1.68 million total customers, within a 30,000 square mile area. The North Carolina Utilities Commission regulates approximately 4% of Vepco's energy sales. Vepco generates electricity with two nuclear (4 units), six coal-fired (15 units), three oil-fired (4 units), and four small hydroelectric (10 units) plants; and with one pumped storage hydro-electric (10 units) plant owned jointly with another utility.

Nantahala Power and Light Company serves the far western portion of North Carolina and is the only major electric company operating solely within North Carolina. Although it qualifies as a major utility, it serves approxi-mately 46,000 customers in a five county area operating eleven hydro-electric stations. Nantahala was acquired by Duke Power Company on November 17, 1988, but continues to operate independently.

The four major electric companies provide service directly to retail consumers, and they are suppliers of electric energy on a wholesale basis to the 28 electric membership corporations (EMCs) operating in North Carolina. There are five EMCs with operations in North Carolina whose headquarters are in other states. The major companies also supply electric energy to the 72 municipalities operating electric distribution systems throughout the state. The North Carolina Utilities Commission does not regulate the retail rates and service of the EMCs or the municipalities operating in North Carolina.

There were two nonmajor electric utilities also operating in North Carolina as of December 31, 1988; New River Light and Power Company, a subsidiary of Appalachian State University (ASU) located in Boone, N.C., which served 5,829 customers in 1988, with ASU being its largest single customer, and Western Carolina University located in Jackson County, N.C. These two companies are not required to file an annual report with the North Carolina Utilities Commission.

B. CUSTOMER GROWTH--COMMENTS

In 1988 the four major electric utilities experienced a customer growth rate of 2.9% for their North Carolina operations. The net customer increase was 58,678 bringing the total average number of customers to 2,083,964 at December 31, 1988. New River Power and Light Company experienced a 1.8% increase in their number of customers. Total customers increased from 5,725 to 5,829 during 1988. An average of 2,089,793 North Carolina customers were served by all the regulated electric utilities during 1988. See Figure No. 4-5.

C. ANNUAL CUSTOMER USAGE

The annual customer usage of kilowatt-hours per residential customer in 1988 was 12,375 kWhs. This is a .78% decrease from 1987. This figure for 1988 is 36% higher than the national average of 9,071 per residential customer. According to Figure No. 4-6, North Carolina's per customer residential consumption exceeds the national average for the various years shown between 1970-1988.

The average monthly use of electricity by North Carolina residential customers of major electric companies is 1,031 kilowatt-hours. Residential customers constitute about 86.0% of the total electric customers in the State. There is a direct correlation between the greater residential usage in North Carolina and the average charge per kilowatt-hour. Generally the lower the cost per kWh the greater the usage.

D. RATE INCREASES APPROVED

The average charge per kilowatt-hour for North Carolina residential service increased .1% from the preceding year. Figure No. 4-7 shows the average price of one kWh for the years 1970, 1975, 1980, 1982, 1983, 1984, 1985, 1986, 1987 and 1988. The 1988 figure of 7.32 cents reflects the general rate increases approved by the Commission. The general rate increase approved by the Commission for 1988 is shown in Figure No. 4-8.

E. COMPARISONS OF AVERAGE RESIDENTIAL MONTHLY BILLS

In Figure No. 4-9 a typical residential electric bill as of January 1, 1988, from North Carolina is compared to nine selected states from

across the country. These states include Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia. For 1988, North Carolina is the sixth lowest at 500 kWh levels, the fifth lowest at 750 kWh levels, and sixth lowest at 1000 kWh levels.

In a comparison with the United States average, North Carolina monthly bills are lower for 500 kWh, 750 kWh and 1000 kWh. The North Carolina electric utilities have companywide rates for the respective residential, commercial, and industrial classes of customers. When company usage and load characteristics are the same, the residential customer's bill will not vary between the small and large communities.

F. TAX REFORM ACT OF 1986

In December 1987 and early 1988, there was a more than $189 million reduction in electric rates, due to the Tax Reform Act of 1986 (TR-86).

G. CONSERVATION AND LOAD MANAGEMENT

In North Carolina the electric companies recommend many ways for customers to save on their electric bills. Some of these include adequate insulation and efficient use of big energy user appliances such as water heaters, ranges, refrigerators, and freezers. Also with time-of-use rates, customers can save substantially by using electricity during off-peak periods. Keeping the thermostat at 68 degrees or lower in the winter can save customers up to 20% on heating bills. Furthermore there are appliances available in energy efficient models that may cost more initially but save each year in operating costs. Saving energy has become increasingly important. It not only translates directly into lower bills but also helps to conserve diminishing natural resources.

See Chapter Two, Section B. for additional information on conservation and least-cost planning, a topic related to conservation.

H. GENERATING CAPABILITY--NUCLEAR POWER IMPACT AND COGENERATION

General: The total company-owned capability as of December 31, 1988, for the largest electric companies is shown in Figure No. 4-10. Figure No. 4-10 gives in detail the peak loads in winter 1987/1988 and summer 1988, total capability at the time of the peaks, and the reserve percentage of electricity available to each company at peak demand.

Nuclear Power: Nuclear energy provided 41% of Vepco's energy generated last year.

Vepco's North Anna Unit 2 set a new record for continuous operation on October 19, 1988, when it passed its 248th consecutive day in service. As of December 31, 1988, this total was up to 321 days. This unit also had the third highest capacity factor rating of any nuclear unit in the world during 1988, and the capacity factor for both North Anna units for the year was 92%, among the highest in the nation. The Surry 1 and 2 Units were shut down in September, 1988 for emergency diesel generation problems, yet still finished the year with a capacity factor above 70%. These outages were extended to undertake safety systems inspections and upgrades as well as engineering and support analysis.

CP&L's Harris nuclear plant began commercial operations on May 2, 1987. It produced 4.4 billion kilowatt-hours of electricity during 1988 as compared to 3.19 billion in 1987. In 1988 the plant produced 37% of the power supply generated. CP&L's four nuclear units operated at a combined capacity factor of more than 60% for the fourth year in a row.

Nuclear power continues to be an important source of energy for Duke Power Company. Duke now operates seven nuclear units which produced 66% of the total power generated in 1988. The nuclear plants operated at 70% capacity

for two years in a row. The Nuclear Regulatory Commission (NRC) ranked the McGuire, Catawba, and Oconcee nuclear stations first, second, and sixth in the nation for 1988 in terms of the efficiency of multi-unit nuclear plants.

Capacity factor is the percentage of power a unit actually generates compared to what it could produce if it were operated continuously at maximum dependable capacity. Since nuclear units must be taken out of service for refueling and routine maintenance, their maximum achievable capacity factor over an extended period is inherently below 100 %.

Cogeneration: In 1978 the Federal Public Utility Regulatory Policies Act (PURPA) challenged the Federal Energy Regulatory Commission and the State regulatory authorities to encourage the development of cogeneration and small power production. Cogeneration facilities simultaneously produce two forms of useful energy such as electric power and steam. An example of manufacturing cogeneration is a furniture manufacturing plant which not only uses process steam in its manufacturing activities but also uses the same steam in order to generate electricity. Cogeneration facilities use significantly less fuel to produce electricity and steam (or other forms of energy) than would be needed to produce the two separately. Thus by using fuels more efficiently, cogeneration facilities can make a significant contribution to the nation's effort to conserve its energy resources.

At the present, the three largest power companies in North Carolina are working with customers (small power producers) who generate some of their own needs for electrical power, thus lowering peak loads. Small power production facilities use biomass, waste, renewable resources including wind, solar, and water, to produce electric power. The regulated electric utilities are required to purchase the electricity generated by these qualifying small power production facilities. These energy sources have the potential of resulting in significantly cheaper electricity. For example the sun's rays or flowing water may have little or no costs, as contrasted with the generally increasing cost of fossil fuels or nuclear fuel typically used by regulated utilities in their generating plants.

The Commission's original Order dated June 3, 1980, enumerated as part of its responsibilities the determination of the rates, charges, and condition for the sale of electricity and qualifying cogenerators or small power producers in North Carolina. In addition the Commission will determine the relative responsibilities of utilities and qualifying facilities with respect to system protection, service reliability, and other matters affecting such service. Every two years, the Commission reviews and updates the orders. In prior years the Commission has determined separate avoided cost rates to be paid by CP&L, Duke, N.C. Power (Vepco), Nantahala and Western Carolina University to their respective qualifying facilities which are interconnected with them. Other related matters involving terms and conditions of service, contractual arrangements and interconnection charges have also been reviewed and approved.

I. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1988 electric operating revenue dollar are shown by the pie charts on Figure No. 4-11. In the past, fuel costs have been the largest component of the operation and maintenance expenses, and they have consumed the largest portion of the operating revenue dollar. However, in 1988, fuel costs, (excluding purchased power) required only 19.0 cents while the remaining operation and maintenance costs required 39.0 cents. Shown in

Figure No. 4-12 is comparative data reflecting the components percentage-wise for both the source and disposition of the electric operating revenue dollar for 1988. Fuel costs (excluding purchased power) as a percent of total operational and maintenance expenses (excluding depreciation and taxes) have been declining since 1974, primarily because of the decreases in coal costs and the increasing use of nuclear fuel. The chart in Figure No. 4-13 shows this relationship for the period 1983-1988.

J. ENERGY SALES

Energy sales for the past decade have been rising. The major companies' total energy sales in North Carolina increased in 1988 over 1989 by 3.4% with 81 billion kilowatt-hours sold. Figure No. 4-14 shows energy sales by class of customer for the years 1980, 1984, 1985, 1986, 1987, and 1988.

K. STATISTICAL SUMMARY DATA

As shown in Figure No. 4-15, the total operating revenues for North Carolina operations for the major electric utilities increased 2.7% for 1988 compared to 1987.

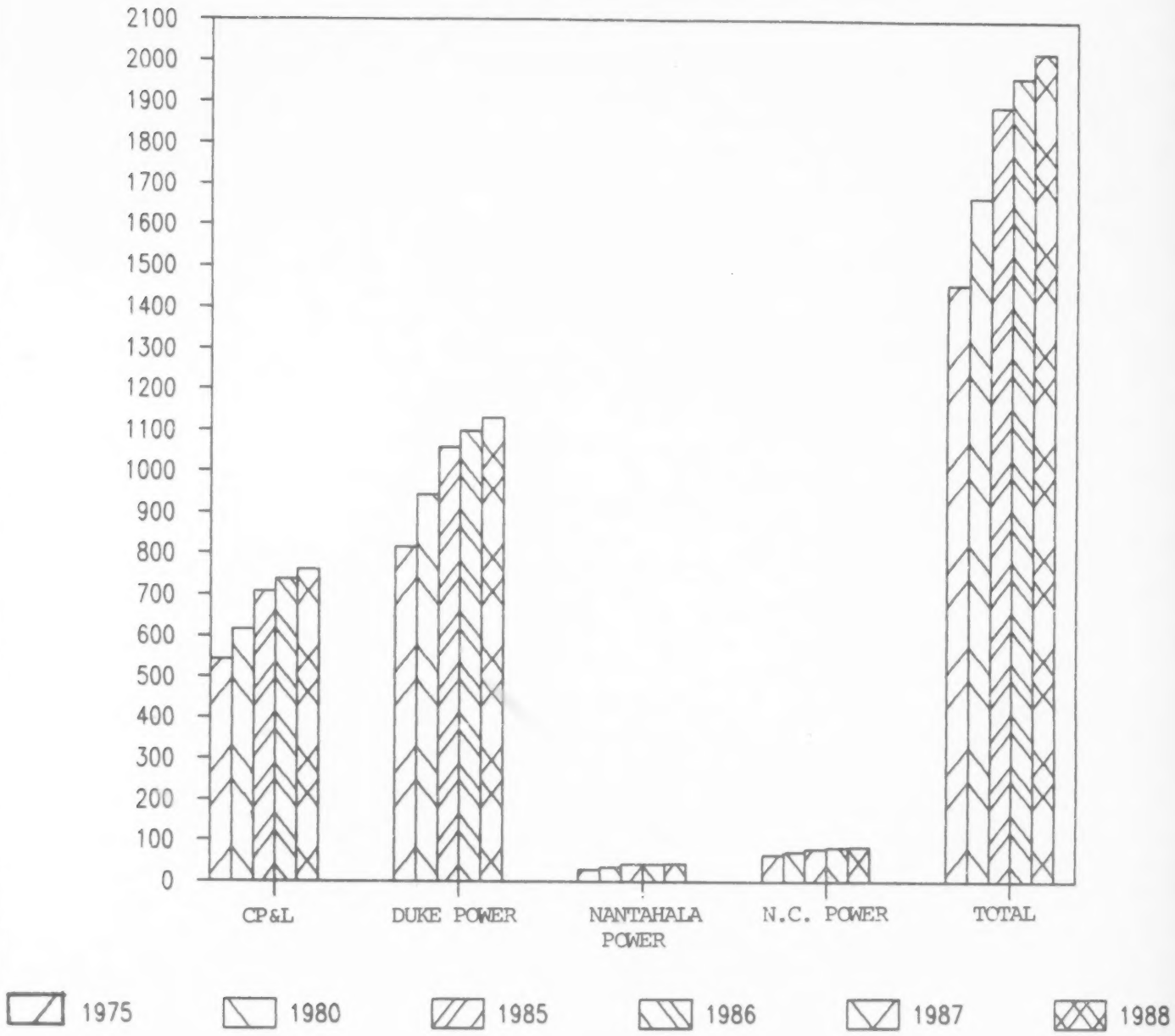
North Carolina operating expenses, including taxes for the major companies, increased 2.3% in 1988 over 1987, and the net income for 1988 decreased 14.1% from the previous year.

Total company net income available for common shareholders of the major companies was $1,071,383,000 for 1988, compared to $1,164,564,000 for 1987. The number of common shares outstanding at year-end increased from 360,617 million in 1987 to 362,275 million in 1988. The earnings per share (year-end outstanding) at December 31, 1988, were $2.96 down 8.4% from 1987.

Total salaries and wages paid North Carolina employees by major companies for 1988 was $775,522,000, an increase of 3% over 1987. In 1988 the number of employees residing in North Carolina was 22,475 compared with 22,575 in 1987, a .4% decrease.

FIGURE NO. 4-5

MAJOR ELECTRIC COMPANIES--CUSTOMER GROWTH
(North Carolina Data Only)



SOURCE: 1988 FERC FORM NO. 1 - ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSES, AND OTHERS

FIGURE NO. 4-6

Average Annual Residential Customers
kWh Usage
1980, 1984, 1985, 1986, 1987, 1988
(Privately Owned Major Utilities Only)

UTILITIES	1980	1984	1985	1986	1987	1988
N.C. Statewide Average	12,272	11,834	11,364	12,051	12,472	12,375
N.C. (Charlotte & Raleigh)(a)	13,201	12,213	11,992	12,912	13,524	13,442
S.C. (Columbia & Charleston)(b)	10,793	12,224	12,074	13,708	13,178	13,166
U. S. Average	8,481	8,557	8,540	8,608	8,795	9,071
N.C. (Charlotte & Raleigh) Higher than S.C. (Columbia & Charleston)	22.3%	-0.09%	-0.7%	-5.8%	2.6%	2.1%
Higher than U.S. Average	55.7%	42.7%	40.4%	50.0%	53.8%	48.2%

(a) Charlotte--Served by Duke Power Co.
Raleigh--Served by CP&L
Average of the two used

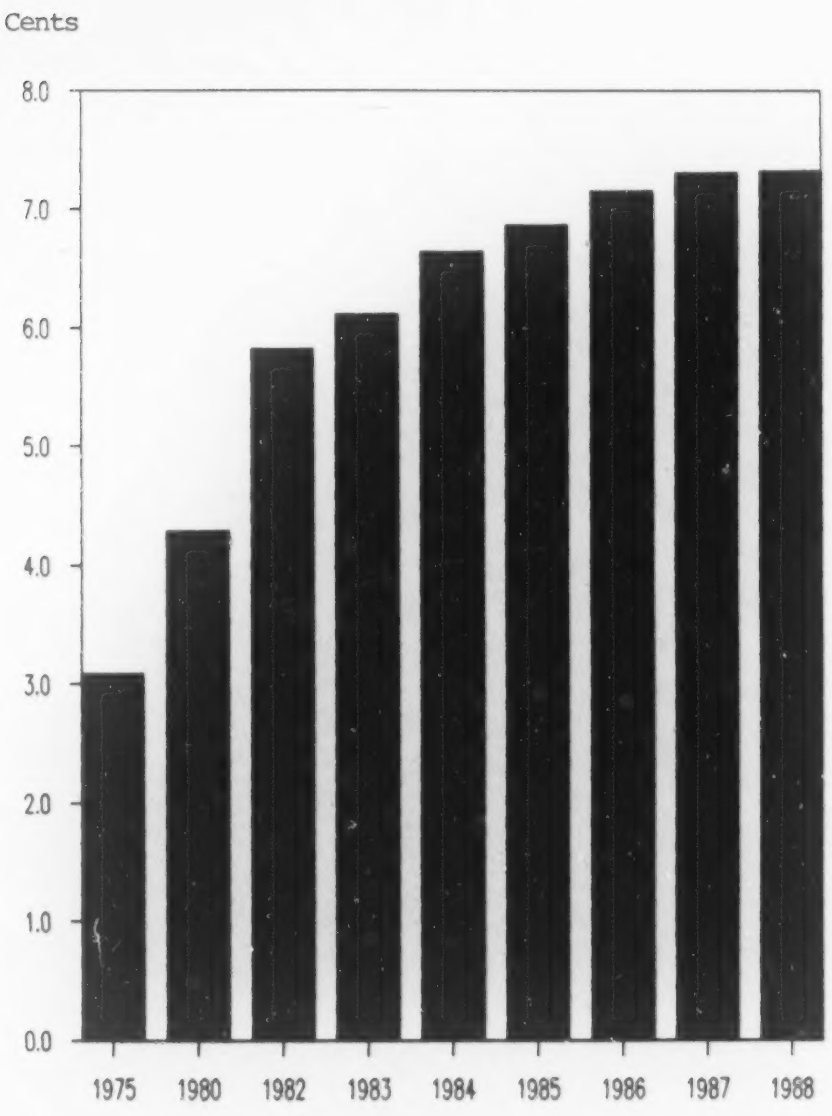
(b) Columbia & Charleston
Served by S.C. Electric & Gas Co.
Average of the two used

SOURCES:
N.C. Statewide Average--FERC Form No. 1: Annual Report of Major Electric Utilities
N.C. (Charlotte & Raleigh)--FERC Form No. 1: Annual Report of Major Electric Utilities
S.C. (Columbia & Charleston)--S.C. Electric & Gas Co.
U.S. Average--Financial Statistics of Selected Electric Utilities (1988 Report)

FIGURE NO. 4-7

RESIDENTIAL ELECTRIC SERVICE--MAJOR ELECTRIC COMPANIES

Average Annual Usage Per Customer and Average Price of 1 kWh



North Carolina Data Only
Average kWh Usage Per Customer and Cents Per kWh

1975	1980	1982	1983	1984	1985	1986	1987	1988
11,002	12,272	11,652	11,873	11,834	11,364	12,051	12,472	12,375
3.09	4.29	5.82	6.11	6.64	6.86	7.15	7.31	7.32

Average Price of One kWh in Cents by Company

	1980	1982	1983	1984	1985	1986	1987	1988
CP&L	4.36	6.28	6.48	7.04	7.21	7.25	7.17	7.49
Duke	4.13	5.49	5.83	6.31	6.57	7.11	7.38	7.23
Nantahala	3.68	4.98	4.47	5.52	6.14	6.49	6.73	7.11
Vepco	6.33	6.74	7.61	8.35	8.01	7.87	7.74	7.10

FIGURE NO. 4-8

General Rate Increases Approved for Electric Companies
For the Year 1988

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
Carolina Power & Light	9-10-87	E-2, Sub 537*	$202,957 (1)	$134,819	66.43%	8-05-88
Total			$202,957	$134,819	66.43%	

*The final order of this request was appealed to the N. C. Supreme Court by CP&L and The Attorney General's Office on October 4, 1988, and a cross appeal was made by the Public Staff on October 24, 1988.
Consistent with the Supreme Court's November 9, 1989 remand, the Commission transferred $389,422,000 of Harris Plant Common facilities from rate base to cancelled plant. The Court further authorized the Commission to review the allowed rate of return and to make appropriate adjustments to reflect the fact that $389,422,000 of prudently incurred costs were being transferred from rate base to cancelled plant. This results in no change in the current level of rates, which was found to be just and reasonable; is fully consistent with the opinion of the Supreme Court; maintains the current allowed rate of return; and will result in lower rates for the consumer upon expiration of the special amortization rider in mid-1994. The cancelled plant will be written off over a period of 5.925 years from the date of the original order.

(1) This represents the final amount requested. The initial request was $205,100.

FIGURE NO. 4-9

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS
NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE
STATE AVERAGE MONTHLY BILLS--RESIDENTIAL SERVICE
(Cities of 2,500 Population and Over) Data as of January 1 of each year

STATE:	500 kWh Assumed Consumption						750 kWh Assumed Consumption						1000 kWh Assumed Consumption					
	1975	1980	1985	1986	1987	1988	1975	1980	1985	1986	1987	1988	1975	1980	1985	1986	1987	1988
NORTH CAROLINA	$16.21	$24.05	$37.02	$39.49	$40.72	$39.92	$22.53	$32.63	$52.64	$56.15	$57.95	$56.69	$29.20	$41.83	$67.99	$72.53	$74.90	$73.52
ALABAMA	16.62	23.63	35.98	36.23	36.46	35.19	22.05	33.99	50.94	51.26	51.87	49.79	27.45	44.34	63.65	64.04	64.93	62.19
CALIFORNIA	17.25	22.79	40.09	40.77	40.92	43.12	23.64	34.24	59.89	60.90	61.56	65.27	29.91	47.65	84.64	86.22	85.85	82.14
FLORIDA	18.53	25.53	42.55	45.02	39.69	41.53	25.88	36.68	60.97	64.45	56.61	59.41	33.17	48.37	80.77	85.45	74.00	78.68
INDIANA	13.37	26.68	39.79	41.13	43.52	43.59	18.31	35.22	54.12	56.12	58.84	58.49	23.59	44.83	68.68	71.35	74.21	73.41
MAINE	18.05	26.05	38.74	40.86	38.87	39.17	25.00	35.98	58.10	61.29	61.02	61.45	33.32	45.91	77.47	81.70	83.19	83.73
MICHIGAN	14.57	25.65	35.24	40.85	39.76	37.47	21.74	33.74	48.83	53.58	51.93	49.32	29.63	45.85	70.84	74.76	72.56	70.03
OHIO	17.23	28.26	41.68	41.80	43.63	43.06	24.15	39.84	59.85	59.92	61.80	61.09	31.15	51.11	75.13	75.11	79.15	76.23
SOUTH CAROLINA	18.53	25.40	37.65	39.93	40.20	39.33	25.18	34.77	52.09	55.24	55.45	54.30	31.87	44.38	66.66	70.72	71.01	69.88
VIRGINIA	20.91	33.10	37.44	38.77	38.05	38.39	28.18	46.31	53.34	55.02	54.00	54.55	35.11	58.92	66.58	68.31	67.27	68.03
UNITED STATES	17.93	27.50	41.86	42.54	40.88	41.21	24.72	36.93	57.86	58.79	56.70	57.39	32.29	48.76	76.37	77.50	74.57	74.15
NORTH CAROLINA RANK (Low to High-10 states listed)	3rd lowest	3rd lowest	3rd lowest	3rd lowest	7th lowest	6th lowest	4th lowest	1st lowest	4th lowest	6th lowest	6th lowest	5th lowest	3rd lowest	1st lowest	4th lowest	5th lowest	7th lowest	6th lowest
NORTH CAROLINA RANK (Low to High-50 states & DC)	28th lowest	21st lowest	26th lowest	24th lowest	30th lowest	31st lowest	30th lowest	18th lowest	27th lowest	32nd lowest	33rd lowest	31st lowest	30th lowest	17th lowest	28th lowest	31st lowest	34th lowest	32nd lowest
N.C. Average lower than U.S. Average (Percent)	9.59%	12.55%	11.56%	7.17%	0.39%	3.13%	8.86%	11.64%	9.02%	4.49%	-2.06%	1.22%	9.57%	14.21%	10.97%	6.41%	-0.44%	0.85%

Source: "Typical Electric Bills" for applicable years--U.S. Department of Energy

FIGURE NO. 4-10
MAJOR ELECTRIC COMPANIES
GENERATION & CAPABILITY DATA
Net Megawatts--Year End

Company Capability 1988 (1)

Company	Coal	Nuclear	Pump Storage & Hydro	Other Fuel And Resources	Total Generating Capability	Firm Purchases	Total
CP&L	5,273	3,105	218	1,018	9,614	548	10,162
Duke Power	6,428	7,054	1,452	599	15,533	241	15,774
Nantahala	0	0	99	0	99		99
N. C. Power*	4,315	3,392	1,591	2,186	11,484	1,547	13,031
	16,016	13,551	3,360	3,803	36,730	2,336	39,066

Total Available Capability--Net MW (at time of peak) (2)

Company	1988 Summer	1987/1988 Winter	1987 Summer	1986/1987 Winter	1986 Summer	1985/1986 Winter	1985 Summer	1984/1985 Winter
CP&L	9,529	9,905	9,533	9,909	8,552	8,928	8,471	8,847
Duke Power	15,774	15,774	15,984	15,984	15,372	14,190	14,927	13,782
Nantahala Power	195	195	195	195	195	195	194	194
N.C. Power*	13,468	12,836	12,616	12,315	12,489	11,071	11,062	10,710
Total	38,966	38,710	38,328	38,403	36,608	34,384	34,654	33,533

Peak Load (MW) (3)

Company	1988 Summer	1987/1988 Winter	1987 Summer	1986/1987 Winter	1986 Summer	1985/1986 Winter	1985 Summer	1984/1985 Winter
CP&L	8,521	7,914	7,985	7,163	7,485	7,763	6,876	7,799
Duke Power	13,618	12,728	12,691	11,451	12,471	12,586	11,204	12,687
Nantahala Power	128	184	122	176	157	191	109	191
N.C. Power*	11,756	10,911	11,529	10,640	10,358	9,836	9,819	10,316

Reserve % of Load (4)

Company	1988 Summer	1988 Winter	1987 Summer	1987 Winter	1986 Summer	1986 Winter	1985 Summer	1985 Winter
CP&L	11.8	25.2	19.4	38.3	14.3	15.0	21.9	7.5
Duke Power	15.8	23.9	25.9	39.6	23.3	12.7	33.2	17.7
Nantahala Power	----	----	----	----	----	----	----	----
N.C. Power*	14.6	17.6	9.4	15.7	20.6	12.6	12.7	7.2

* Reflects Total Company

(1) Source: Southeastern Electric Reliability Council
Data includes total capability of jointly owned facilities.
(2) Source: Corporate and Statistical Profile of Major Electric Utilities.
(3) Source: FERC Form No. 1: Annual Report of Major Electric Utilities and Corporate and Statistical Profile.
(4) No reserve calculated for Nantahala. This company meets its demand load by buying the additional energy required above its Hydro generating capability from TVA.

FIGURE NO. 4-11

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
ELECTRIC COMPANIES
North Carolina Operations Only
1988

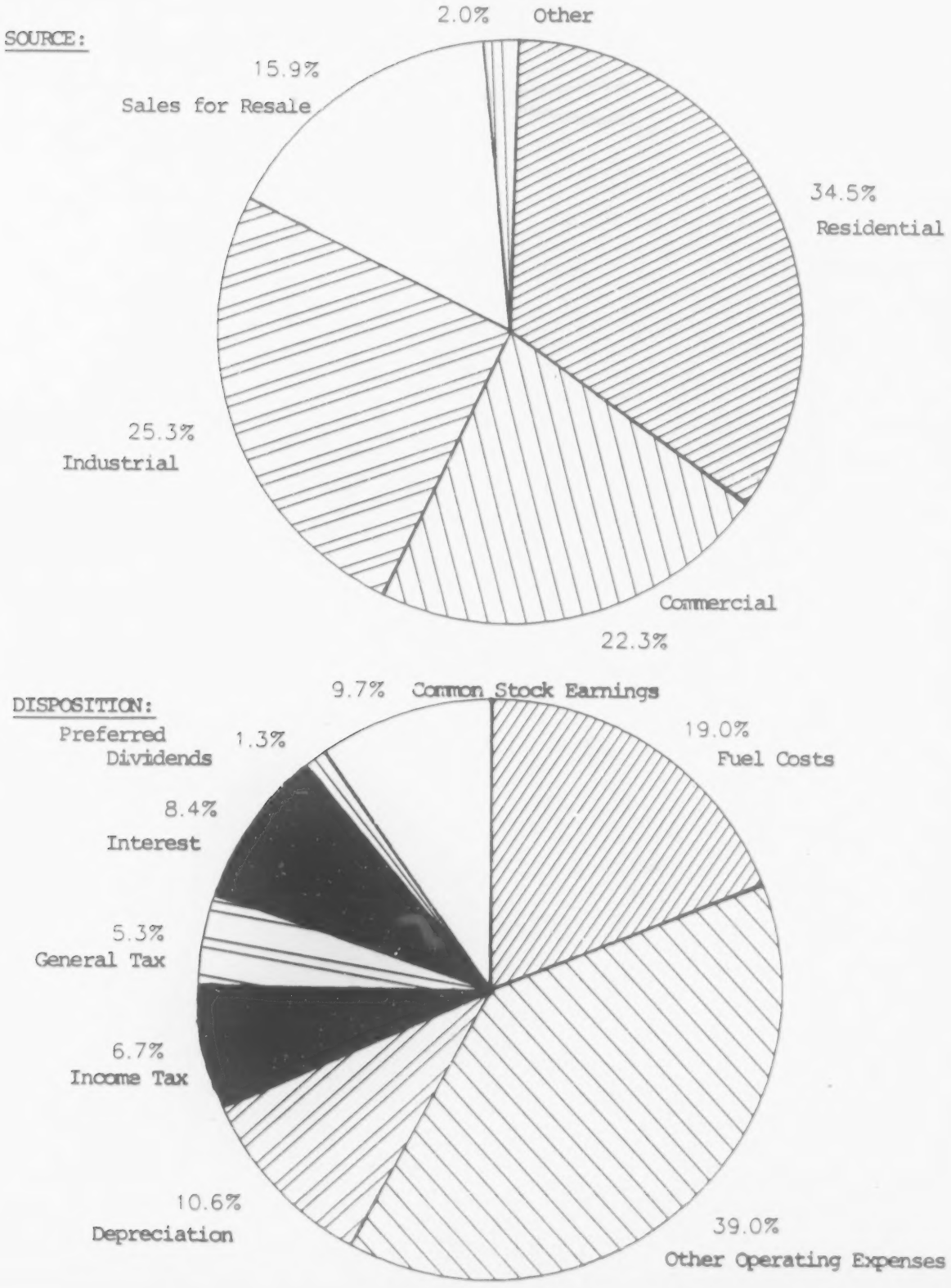


FIGURE NO. 4-12

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
1988
MAJOR ELECTRIC COMPANIES
North Carolina Operations Only
(Dollars in 000s)

SOURCE:	REVENUE	% OF TOTAL
Residential	$1,617,703	34.5%
Commercial	1,044,332	22.3%
Industrial	1,184,254	25.3%
Sales for Resale	740,949	15.8%
Other	95,273	2.0%
Total	$4,682,511	100.0%

DISPOSITION:		
Fuel Costs	$890,621	19.0%
Purchased Power (Fuel and Nonfuel)	657,772	14.1%
Other Operating & Maintenance Costs	1,163,872	24.9%
Depreciation	494,780	10.6%
General Taxes	250,216	5.3%
Income Taxes	315,432	6.7%
Interest	393,389	8.4%
Preferred Dividends	62,890	1.3%
Common Stock Earnings	453,539	9.7%
Total	$4,682,511	100.0%

FIGURE NO. 4-13

FUEL COSTS (1)
(Dollars in 000s)

ITEM	1983	1984	1985	1986	1987	1988
Fuel Costs	$971,944	$974,549	$981,583	$966,638	$870,920	$890,621
Purchased Power Costs (Fuel and Nonfuel)	27,686	28,126	184,462	431,840	613,645	657,772
Other Operating & Maintenance Expenses	775,929	806,472	929,715	1,074,016	1,144,797	1,163,872
Total Operating & Maintenance Expenses	$1,775,559	$1,809,147	$2,095,760	$2,472,494	$2,629,362	$2,712,265
Fuel Costs as a % of Total Operating & Maintenance Expenses (2)	54.7%	53.9%	46.8%	39.1%	33.1%	32.8%

(1) Source: FERC Form No. 1: Annual Report of Major Electric Utilities
(2) Fuel Costs percentage does not include Purchased Power

FIGURE NO. 4-14

ENERGY SALES BY CLASSES
MAJOR ELECTRIC COMPANIES

(North Carolina Data Only--Kilowatt-Hours in Billions
For the Years 1980, 1984, 1985, 1986, 1987, 1988

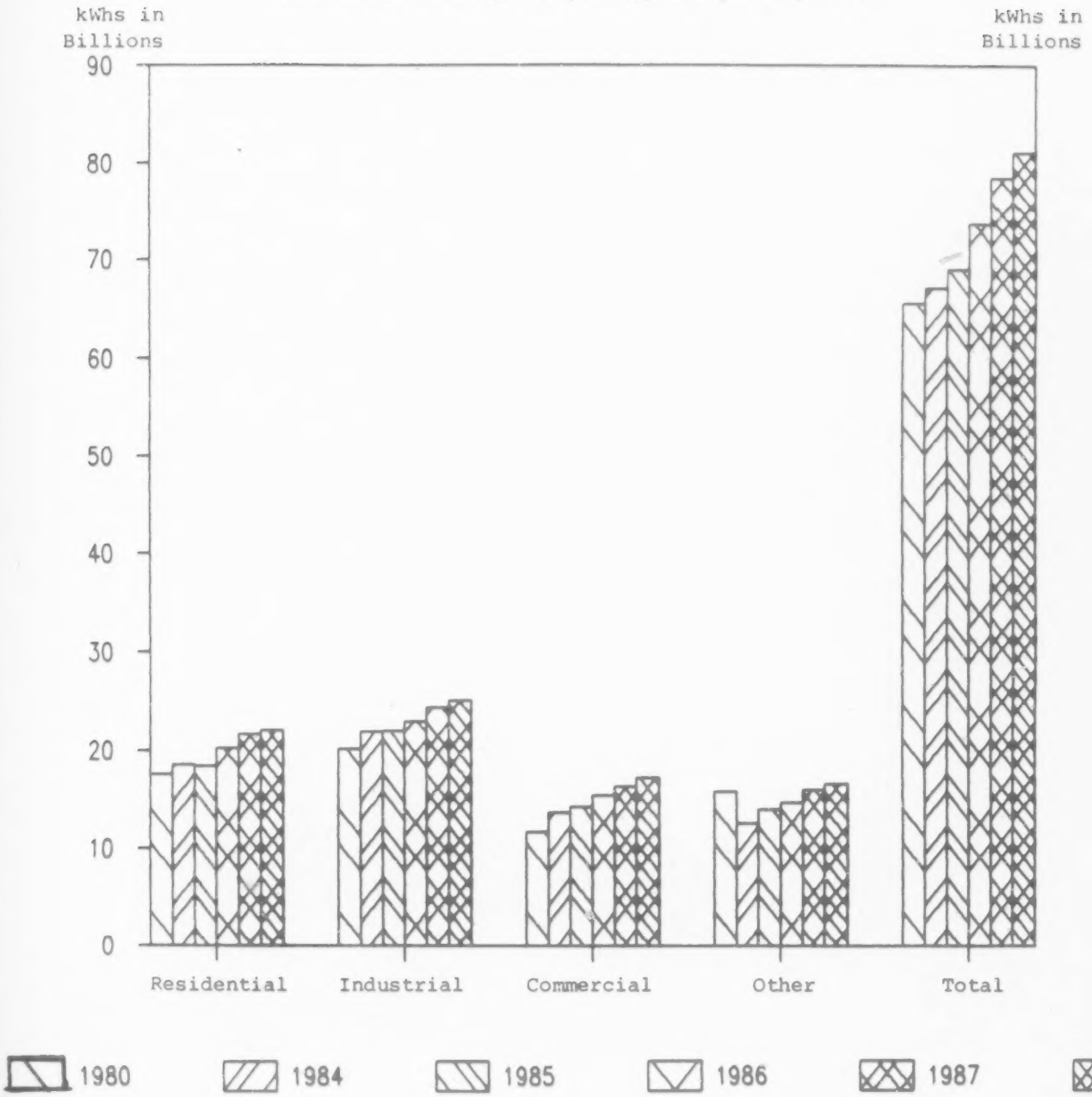


FIGURE NO. 4-15 A
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1970, 1975, 1980, 1985, 1986, 1987, 1988
(Dollars in 000s)

Item	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
No. of Companies Regulated and Included in this Data	4	4	4	4	4	4	4	
INCOME STATEMENT (NC ONLY):								
Income Items:								
Residential Sales	$176,631	$425,940	$754,138	$1,267,504	$1,458,189	$1,583,213	$1,617,703	2.2
Commercial Sales	95,310	255,494	441,909	843,520	950,873	1,010,591	1,044,332	3.3
Industrial Sales	118,277	343,589	583,685	1,038,189	1,126,941	1,170,449	1,184,254	1.2
Sales for Resale	63,760	216,148	432,751	574,764	637,075	685,901	740,949	8.0
All Other Operating Revenue	16,379	26,465	53,387	134,434	133,043	109,104	95,273	(12.7)
Total Operating Revenue	$470,357	$1,267,636	$2,265,870	$3,858,419	$4,306,121	$4,559,258	$4,682,511	2.7
Expense Items:								
Power Production Expense				$1,641,819	$1,959,158	$2,062,748	$2,098,888	1.8
Transmission Expense				35,058	39,556	42,351	42,411	0.1
Distribution Expense				121,898	137,042	159,649	164,371	3.0
Customer Accounts Expense				59,490	67,351	74,690	81,906	9.7
Customer Service & Informational Expense				21,724	25,412	27,962	28,188	0.8
Sales Expense				851	1,188	1,378	1,568	13.8
Administrative & General Expense				214,920	242,787	260,584	294,933	13.2
Depreciation Expense				386,391	363,921	366,320	494,780	35.1
Total Expenses Before Taxes (A)	$325,815	$806,985	$1,556,198	$2,482,151	$2,836,415	$2,995,682	$3,207,045	7.1
State Taxes:								
Income Tax	$2,194	$6,281	$15,179	$51,130	$45,023	$32,890	$34,320	4.3
Gross Receipts Tax	26,912	75,007	135,011	113,854	119,412	128,361	131,318	2.3
Property Tax	13,460	24,629	35,740	42,695	53,225	57,310	65,357	14.0
Other Operating Taxes	17,442	114,083	169,536	12,457	2,029	1,984	1,823	(8.1)
Total State Taxes	$60,008	$220,000	$355,466	$220,136	$219,689	$220,545	$232,818	5.6
Federal Taxes								
Income Tax				$218,332	$259,599	$164,754	$138,318	(16.0)
Provision for Deferred Income Tax				283,810	286,281	451,824	419,164	(7.2)
Income Tax Deferred in Prior Years				(203,846)	(120,958)	(191,248)	(258,820)	35.3
Investment Tax Credit				128,802	42,343	(5,405)	(17,550)	N/C
Payroll, Unemployment, & Other Federal Taxes				23,341	40,319	51,000	51,724	1.3
Gain from Disposal of Utility Plant				(6)	(169)	(39)	(6)	(84.6)
Total Federal Taxes (B)				$450,433	$507,415	$470,966	$332,830	(29.3)
Total State & Federal Taxes (B)				$670,569	$727,104	$691,511	$565,648	(18.2)

(A) For the years prior to 1980 there were no allocations to these line items. All expenses were grouped into Operation, Maintenance and Depreciation.
(B) For the years prior to 1980 there were no allocations to these line items. All Federal taxes were combined together with State Taxes.
N/C: Not Comparable

FIGURE NO. 4-15 B
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1970, 1975, 1980, 1985, 1986, 1987, 1988
(Dollars in 000s)

Item	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
Total Operating Expenses	$385,823	$1,026,985	$1,911,664	$3,152,720	$3,563,519	$3,687,193	$3,772,693	2.3
Net Operating Income	$84,534	$240,651	$354,206	$705,699	$742,602	$672,065	$909,818	4.3
Other Income & Expenses								
Other Income				$141,261	$108,996	$94,615	$106,934	13.0
Allowance for Funds Used During Construction				125,680	148,014	67,892	36,684	(46.0)
Deductions From Income				(7,603)	28,165	20,525	223,083	N/C
Taxes on Other Income				(9,685)	(1,072)	(20,961)	(70,351)	N/C
Net Other Income & Expenses (C)				$249,653	$229,917	$162,943	($9,114)	N/C
Fixed Charges:								
Interest on Funded Debt				$388,219	$373,983	$365,816	$366,089	0.1
Other Fixed Charges				15,006	16,852	25,415	23,215	(8.7)
AFUDC				(67,632)	(76,369)	(38,456)	(1,489)	(96.1)
Total Fixed Charges (C)				$335,593	$314,466	$352,775	$387,815	9.9
Extraordinary Income (C)				0	0	0	73,215	N/C
Net Income				$619,759	$658,053	$682,233	$586,104	(14.1)
BALANCE SHEET (C):								
Assets:								
Utility Plant				$11,882,039	$12,927,876	$13,766,242	$14,482,241	5.2
Depreciation Reserve				2,768,960	3,007,388	3,381,266	3,767,663	11.4
Net Plant (C)				$9,113,079	$9,920,488	$10,384,976	$10,714,578	3.2
Nonutility Property				17,680	18,193	16,394	20,733	26.5
Other Investments				366,035	363,425	368,124	217,390	(40.9)
Cash				15,828	4,858	17,871	19,256	7.7
Temporary Cash Investments				141,710	37,865	13,429	30,083	N/C
Customer Accounts Receivable				222,653	256,675	267,334	295,028	10.4
Plant Material & Operating Supplies				111,134	133,863	143,326	153,563	7.1
Prepayments				22,202	24,202	23,225	23,384	0.7
Other Current & Accrued Assets				270,404	196,315	200,450	339,556	69.4
Unamortized Debt Expense				8,451	8,451	9,513	9,619	1.1
Miscellaneous Deferred Debits				67,739	139,067	309,298	391,740	26.7
Accumulated Deferred Income Taxes				146,584	116,536	161,557	194,833	20.6
Other Deferred Debits				698,764	651,234	598,939	530,181	(11.5)
Total Assets (C)				$11,202,263	$11,861,172	$12,514,436	$12,939,944	3.4

(A) For the years prior to 1980 there were no allocations to these line items. All expenses were grouped into Operation, Maintenance and Depreciation.
(B) For the years prior to 1980 there were no allocations to these line items. All Federal taxes were combined together with State Taxes.
(C) For the years prior to 1980 there were no allocations to these line items.
N/C= Not Comparable

FIGURE NO. 4-15 C
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1970, 1975, 1980, 1985, 1986, 1987, 1988
(Dollars in 000s)

Item	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
Liabilities & Stockholder's Equity:								
Liabilities:								
Accounts Payable				$233,977	$208,100	$234,929	$304,032	29.4
Notes Payable				4,267	181,282	219,468	216,643	(1.3)
Total Long-Term Debt				4,245,665	4,299,805	4,309,950	4,346,538	0.8
Taxes Accrued				92,243	143,474	78,162	62,002	(20.7)
Miscellaneous Current & Accrued Liabilities				55,862	41,541	57,623	70,395	22.2
Other Current & Accrued Liabilities				219,442	203,982	210,547	304,957	44.8
Accumulated Deferred Investment Tax Credit				565,815	605,884	603,119	587,578	(2.6)
Accumulated Deferred Income Tax				1,445,672	1,577,239	1,870,809	1,988,455	6.3
Other Deferred Credits (A)				(576,297)	(541,976)	(378,345)	(349,877)	(7.5)
Operating Reserves				0	0	0	0	0.0
Total Liabilities (C)				$6,286,646	$6,719,331	$7,206,262	$7,530,723	4.5
Stockholder's Equity:								
Preferred Stock				$979,858	$902,006	$862,400	$859,468	(0.3)
Common Stock				2,633,479	2,748,996	2,760,780	2,776,768	0.6
Other Paid in Capital				3,086	792	900	772	(14.2)
Less Discount on Capital Stock				(605)	0	(424)	(427)	0.7
Retained Earnings				1,237,825	1,403,003	1,590,723	1,664,209	4.6
Other				61,974	87,044	93,795	108,431	15.6
Total Stockholder's Equity (C)				$4,915,617	$5,141,841	$5,308,174	$5,409,221	1.9
Total Liabilities & Stockholder's Equity (C)				$11,202,263	$11,861,172	$12,514,436	$12,939,944	3.4
STATISTICAL INFORMATION (N.C. ONLY):								
System Sales to Ultimate Consumer (kWh in 000s)	32,023,596	40,916,099	50,495,469	55,893,000	58,784,000	63,784,332	65,050,654	2.0
System Sales for Resale (kWh in 000s)	9,089,804	11,559,681	14,907,807	12,992,000	14,811,000	14,754,345	15,370,950	4.2
Total Sales to Ultimate Customers & For Resale (kWh in 000s)	41,113,400	52,475,780	65,403,276	68,885,000	73,595,000	78,538,677	80,421,604	2.4
Total Customers--Yearly Average	1,243,389	1,454,445	1,667,661	1,893,012	1,963,750	2,025,286	2,083,964	2.9
Average Numbers kWhs Used per Residential Customer	9,695	11,002	12,272	11,364	12,051	12,472	12,375	(0.8)
Average revenue per kWh--Residential customer (cents per kWh)	1.70	3.09	4.29	6.86	7.15	7.31	7.32	0.1
Number of Employees Residing in N. C.	9,414	14,022	18,534	21,798	23,075	22,575	22,475	(0.4)
Wages & Salaries Paid N. C. Employees	$80,612	$177,550	$353,390	$647,158	$705,671	$753,196	$775,522	3.0
SYSTEMWIDE DATA:								
Operating Revenues	$949,248	$2,568,719	$4,825,864	$7,588,371	$8,449,528	$8,915,939	$9,053,141	1.5
Operating Expenses	751,909	2,032,596	3,987,765	6,126,226	6,825,953	7,093,055	7,181,739	1.3

(C) For the years prior to 1980 there were no allocations to these line items.

FIGURE NO. 4-15 D
Income Statement, Balance Sheet, and Other Statistical Items
1970, 1975, 1980, 1985, 1986, 1987, 1988
(Dollars in 000s)

Item	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
Net Operating Income	$197,339	$536,123	$838,099	$1,462,145	$1,623,575	$1,822,884	$1,871,402	2.7
Net Other Income (Expense)	49,148	150,636	123,030	(322,172)	(372,011)	(520,608)	(659,338)	26.6
Net Income	$148,191	$385,487	$715,069	$1,139,973	$1,251,564	$1,302,276	$1,212,064	(6.9)
Preferred Dividends	24,286	95,798	150,315	161,494	148,882	137,712	140,681	2.2
Net Income for Common Shareholders	$123,905	$298,689	$564,754	$978,479	$1,102,682	$1,164,564	$1,071,383	(8.0)
STATISTICAL INFORMATION (SYSTEMWIDE):								
Long-Term Debt	$2,168,664	$4,819,049	$7,403,022	$8,741,147	$8,944,691	$9,093,216	$9,130,846	0.4
Total Capitalization	$3,941,246	$9,094,143	$14,333,818	$18,265,890	$18,726,491	19,436,182	19,791,165	1.8
Long-Term Debt % of Total Capitalization	55.0	52.9	51.6	47.9	47.8	46.8	46.1	(1.4)
Shares of Common Stock Outstanding--Year End (000s)	76,521	153,728	237,495	310,514	318,292	360,617	362,275	0.5
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	$1.62	$1.88	$2.38	$3.15	$3.46	$3.23	$2.96	(8.4)

(A) For the years prior to 1980 there were no allocations to these line items. All expenses were grouped into Operation, Maintenance and Depreciation.
(B) For the years prior to 1980 there were no allocations to these line items. All Federal taxes were combined together with State Taxes.
(C) For the years prior to 1980 there were no allocations to these line items.
N/C: Not Comparable

V. The Natural Gas Industry

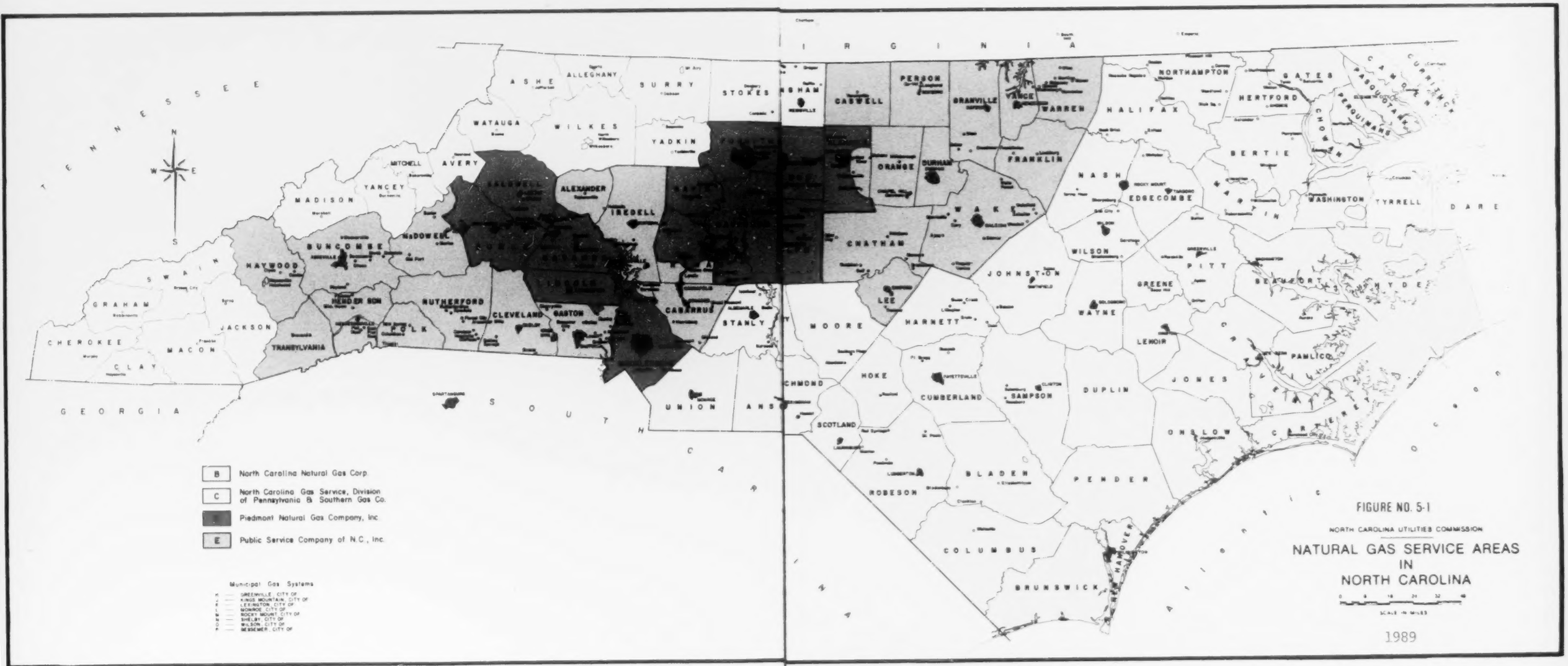


FIGURE NO. 5-1

NORTH CAROLINA UTILITIES COMMISSION

NATURAL GAS SERVICE AREAS IN NORTH CAROLINA

1989

FIGURE NO. 5-2

NORTH CAROLINA GAS COMPANIES
As of December 31, 1988

North Carolina Natural Gas Corp.
150 Rowan Street
Fayetteville, North Carolina 28302
Mr. Calvin B. Wells, President

Piedmont Natural Gas Co., Inc.
P. O. Box 33068
Charlotte, North Carolina 28233
Mr. John Maxheim, Chairman of the Board, President, and Chief Executive Officer

North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
P. O. Box 779
Reidsville, North Carolina 27320
Mr. E. L. Lohmann, President and Chief Executive Officer

Public Service Co. of N.C., Inc.
P. O. Box 1398
Gastonia, North Carolina 28053
Mr. C. E. Zeigler, Sr., Chairman and President

FIGURE NO. 5-3

N.C. MUNICIPAL GAS SYSTEMS
As of December 31, 1988

Bessemer City, City of
132 West Virginia Avenue
Bessemer City, NC 28016
Mr. Charles W. Boyd
Gas Superintendent

Monroe, City of
P. O. Box 69
Monroe, NC 28110
Mr. J. E. Hinkle, City Manager

Greenville Utilities Commission
P. O. Box 1847
Greenville, NC 27834
Mr. Jasper Donald Hudson
Deputy Finance Director

Rocky Mount, City of
P. O. Drawer 1180
Rocky Mount, NC 27801
Mr. William G. Sherk
Director of Utilities

Kings Mountain, City of
P.O. Box 429
Kings Mountain, NC 28086
Ms. Judy H. Harmon
Assistant City Clerk

Shelby, City of
P. O. Box 207
Shelby, NC 28150
Mr. Michael L. Haggard
Gas Superintendent

Lexington, City of
28th West Center Street
Lexington, NC 27290
Mr. J. A. Yarbrough
Director of Finance

Wilson, City of
P. O. Box 10
Wilson, NC 27893
Mr. H. Gerald Pittman
Accounting Manager

THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1988, four Class A natural gas utility companies were under the regulation of the North Carolina Utilities Commission: North Carolina Natural Gas Corporation; North Carolina Gas Service -- a Division of Pennsylvania and Southern Gas Company, Inc.; Piedmont Natural Gas Company, Inc.; and Public Service Company of North Carolina, Inc. Class A utilities have annual gross operating revenues of $2,500,000 or more. Figure No. 5-1 is a map illustration of the natural gas service areas in North Carolina. Figure No. 5-2 is a list of the companies and their chief officers, and Figure No. 5-3 is a list of the North Carolina Municipal Gas systems.

North Carolina Natural Gas Corporation (NCNG) is a public utility, subject to regulation by the North Carolina Utilities Commission, which provides natural gas service to approximately 97,600 customers in eastern and central North Carolina, including residential, commercial, and industrial customers in 55 towns and cities and four municipal gas distribution systems. NCNG also serves natural gas to the agricultural community in its service area for use in the drying of farm products. NCNG also has a nonutility division which provides propane gas to over 5,000 customers. This division also sells gas appliances and home insulation services. Two wholly owned subsidiaries, NCNG Exploration Corporation and Cape Fear Energy Corporation, are engaged in exploration and production of natural gas and oil.

Public Service Company of North Carolina (Public Service) is a natural gas utility that serves over 198,931 residential, commercial, and industrial customers in 83 communities in 26 North Carolina counties. It spans an area approximately 10,000 square miles in which more than 2.5 million people reside. Public Service was incorporated under the laws of the State of North Carolina in 1938 and is regulated by the North Carolina Utilities Commission as to rates, service area, quality of service, safety, service extensions and abandonments, acquisitions, accounting, and the issuance of securities. Public Service has one wholly owned subsidiary, PSNC Natural Resources Corporation, which is engaged in onshore exploration and production of natural gas and petroleum products.

Piedmont Natural Gas Company (Piedmont) is a diversified energy and services company primarily engaged in the purchase, distribution, and sale of natural gas to over 370,000 residential, commercial, and industrial customers in 65 communities in North Carolina, South Carolina, and Tennessee. Piedmont and its subsidiaries are also engaged in the acquisition, marketing, and transportation of natural gas supplies, in oil and gas exploration and development, and in the sale of propane and associated products, commercial and industrial coal and fuel oil, and residential and commercial gas appliances. Piedmont's utility operations are subject to regulation by the North Carolina Utilities Commission, the Tennessee Public Service Commission, and the Public Service Commission of South Carolina.

Pennsylvania & Southern Gas Company (Penn. & Southern) North Carolina Gas Service is a division of Pennsylvania & Southern Gas Company (Penn. & Southern). Penn. & Southern operates five divisions in four states. The states include New York, North Carolina, Pennsylvania, and Maryland. The North Carolina Gas Service Division is located in Rockingham and Stokes Counties. It provides both natural and propane gases in an area with a population of approximately 83,000. The North Carolina Gas Service Division's customers number about 12,200 including forty-seven industries of various sizes. The Division office is located in Reidsville. Natural gas requirements are purchased from Transcontin-

ental Gas Pipeline Corporation, with the exception of a small amount purchased from Rockingham Exploration Company.

B. PLANT INVESTMENT AND EXPANSION

The four major gas companies serve North Carolina cities and towns which have a combined population in excess of 5,400,000. The natural gas companies continued expansion of services by investing an additional $88 million in plant facilities for the 1988 calendar year. In 1987 gas companies invested an additional $61 million. At December 31, 1988, their combined total gross investment for the State was $788,174,000, which represents an increase of 12.6% from the preceding year. Figure No. 5-4 gives the gross plant investment for the natural gas companies for the period 1963-1988.

C. GROWTH TRENDS--CUSTOMERS, REVENUES, VOLUME

In 1988 the annual average number of natural gas utility customers increased 3.5% from the previous year. Figure No. 5-5 shows the customer by classification for the years 1963-1988. Figure No. 5-6 shows the customer growth for the years 1970, 1975, 1980, 1985, 1986, 1987 and 1988 by major customer classification.

Figure No. 5-7 shows the sale pattern of natural gas to the specified customers in million dekatherms by the North Carolina regulated natural gas companies for the years 1980, 1984, 1985, 1986, 1987, and 1988 by major customer classification.

Figure No. 5-8 shows the summary of natural gas sales of mcfs and dekatherms, revenues, and customers by classification for the years 1975, 1980, 1985, 1986, 1987 and 1988.

In 1988, industrial sales totaled 55 million dekatherms. This reflects a 7.9% decrease from the 1987 sales. Total industrial sales of dekatherms accounted for 44.0% of total natural gas sales in North Carolina by the regulated natural gas companies.

Figure No. 5-9 shows total customer growth, total revenues from the sales of gas, and total mcfs and dekatherms of gas sold by the regulated companies and the municipal gas systems for the years 1975, 1980, 1984, 1985, 1986, 1987 and 1988.

The municipals experienced an increase in the number of customers of 4.1% in 1988, while the regulated gas utilities grew by 3.5%. Revenues from the sales of gas in 1988 decreased at a rate of 4.47% for the regulated gas companies and increased at a rate of 12.6% for the municipals. The quantity of gas sold in terms of dekatherms in 1988 decreased 1.2% for the regulated companies and increased 15.1% for the municipals.

D. COMPARISONS OF RESIDENTIAL BILLS, USAGE, AND COST PER MCF OR DEKATHERM

Some average annual usages and cost data for the North Carolina natural gas companies and seven natural gas companies located in various sections of the United States are shown in Figure No. 5-10. The weighted average rate per dekatherm of the North Carolina customers is somewhat higher than the national average. This higher rate per dekatherm is partly due to the fact that the North Carolina distribution companies have only one major transmission pipeline as a supplier.

E. GAS TRACKINGS--PASS ONS--SPECIAL SITUATIONS, AND GENERAL RATE CASES

Wholesale Price Changes: Pursuant to authority granted to the Utilities Commission in G.S. 62-133 by the 1971 General Assembly, the Commission, in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to their customers wholesale increases in the cost of gas to them by their pipeline suppliers. This tracking authority has reduced the amount and number of general rate cases filed with the

Commission during the years since 1972. It has also reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies' level of earnings. The gas tracking changes approved by the Commission for the calendar year 1988 are found in Figure No. 5-11.

Special Situations: These gas trackings can be both increases and decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas from the filed tariff rate are accounted for, and at an appropriate time applications to receive or refund the net effect are made with the Commission.

The tracking proceedings under which these pass ons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public Staff's Engineering and Accounting Divisions.

Gas Supply Volume Trackings: Since 1976 the Commission has granted approval for all the gas utilities to file Curtailment Tracking Adjustments (CTAs) such that the gas utilities' margin (difference in revenues and cost of gas plus gross receipts tax) was fixed in the general rate case. These mechanisms protected the gas utility from fluctuating changes in supply volumes. As the available supply of natural gas increased, the margins increased on sales to customers and permitted the customers' rates to be reduced while the companies' margin remained fixed. As volumes decreased the gas utility simply raised all customers' rates such that the margin remained constant. The mechanisms as described allowed interim adjustments to rates so the gas utility did not have to file constant general rate cases to take care of the volatile fluctuations in its supply of gas and resultant changes in margins. In 1983 the CTAs were replaced by the Industrial Sales Tracker (IST).

Industrial Sales Tracker (IST): The Industrial Sales Tracker implemented for Public Service Company and North Carolina Natural Gas is a modified curtailment tracking mechanism. The mechanism collects revenues from those industrial customers who have heavy fuel oil as an alternate fuel and refund it to the high priority market. This mechanism was proposed by the Public Staff so that gas utilities could negotiate the sale of industrial natural gas and benefit all other non-IST customers. As industrial sales increase, the rates to all non-IST customers are lowered, and by the same token, if individual natural gas sales decrease, the rate to all other non-IST customers will increase. This mechanism was begun in 1983 for the two gas utilities as mentioned earlier and was discontinued for Public Service Company in 1986.

Decreases in the amount of available gas result in an increased IST rate while increases result in a decreased IST rate. Changes in the available gas from the base year volumes due to fluctuations in gas supply and sales volume will inversely affect the IST base year volumes. Then the IST rate will be adjusted accordingly.

Rider D: The Rider D mechanism gives companies an opportunity to offset losses resulting from customers negotiating lower gas prices in lieu of purchasing alternate fuels. Public Service Gas Company proposed and was granted the Rider D mechanism. Under the Rider D, the purchased gas adjustment procedure enables the company to negotiate lower rates with customers and to recover any margin losses resulting thereof by spot market purchases. In summary the Rider D allows losses in margin, resulting from negotiating prices downward, to be offset by savings achieved through the company purchasing lower cost spot gas.

Exploration and Development Trackings (E&D): On June 28, 1975, the Commission established natural gas exploration rules (Docket No. G-100, Sub 22), which approved exploration and development programs. These programs would be financed by customer and stockholder in the ratio of 75% to 25%, respectively. Initially every six months the distributors determined a dekatherm rate to be billed to their customers to receive their share of the allowable exploration and development costs. Successful discoveries are sold, and the proceeds used to reduce exploration costs, or the new gas is put into Transco's supply of gas to North Carolina distributors.

In September 1980 the North Carolina Utilities Commission terminated the ratepayers' participation in the E&D programs, except for development costs. Supplies of natural gas had begun to increase, thereby eliminating the necessity of further participation in the programs. The net effect of the termination of the programs is that the expenditures decreased, and the value of recoveries increased thus providing refunds to customers. The program currently is providing refunds to those customers who are being served as of September 1980, thereby assuring that only those customers who participated in the costs would also participate in the increased value of the recoveries. Refunds to customers participating in the E&D programs are determined on the same percentage basis as their share of the costs were tabulated. These refunds will continue as long as net revenues are being received from the sale of gas produced. Capital expenditures from exploration ventures through September 1988 were $88,966,015. The total net equivalent mcf production is 35,899,456. Therefore, the finding cost per mcf is $2.48. Figure No. 5-12 illustrates the 1988 refunds and cumulative dollars paid to fund the E&D programs.

General Rate Cases: There was one general rate increase case filed by Piedmont Natural Gas Company and approved by the North Carolina Utilities Commission during 1988. The total amount approved by the Commission was $6,248,000, or 64.9% of the amount requested. See Figure No. 5-13.

F. TAX REFORM ACT OF 1986

In 1987, the Natural Gas Companies had an overall reduction of rates amounting to more than $8 million dollars, due to the Tax Reform Act of 1986 (TR-86).

G. NATURAL GAS PIPELINE SAFETY

History and Overview: On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the Secretary of Transportation to administer this law, develop standards, and regulate enforcement of such standards for the design, installation, inspection, test-ing, construction, extension, operations, replacement, and maintenance of pipeline facilities. Section 5a of this Act authorized each state to regulate these minimum standards through certification by the Secretary of Transportation providing certain provisions were met.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina

Gas Pipeline Safety Code. This code is a mandatory requirement under state law and noncompliance by any persons engaged in the transportation of gas or persons who own or operate pipeline facilities is subject to a civil penalty not to exceed $1,000 per each violation for each day that such violations persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code, including the restraint of transportation of gas for the operation of the pipeline facilities.

The North Carolina Gas Pipeline Safety Code is comprised of three basic sections: Part 191 (Report of Leaks), Part 192 (Minimum Federal Safety Standards), and Part 193 (Liquified Natural Gas Facilities). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all minimum federal safety standards.

There are four major gas utilities in North Carolina along with eight municipal gas systems. In addition the 1979 session of the North Carolina General Assembly gave the Utilities Commission jurisdiction over master meter operations. This added 168 distribution systems to the already existing 175, bringing the total to 343 systems which must be inspected for compliance with the North Carolina Gas Pipeline Safety Code. These systems include 1,538 miles of transmission mains and 12,881 miles of distribution mains serving more than 558,039 customers in North Carolina.

Enforcement Activity: During 1988 the Gas Pipeline Safety Section of the Commission Staff spent 394 days inspecting 46 natural gas operators. Of the 78 inspection units inspected, 53 violations were detected. By the end of the year, 35 of the violations had been corrected, in addition to the 28 carried over from 1987. The staff conducted seven seminars in North Carolina for the state gas operators. Two accidents were investigated during the year. One accident resulted in the destruction of the K&W restaurant in Winston-Salem with a property loss of $4,500,000. The other accident resulted in the hospitalization of a GTE serviceman when he burned through a gas line while repairing a telephone cable. The cost of conducting the pipeline program for 1988 was $216,220, of which $99,046 was refunded to the State from the Federal Department of Transportation.

H. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Shown in Figure No. 5-14 is a comparison chart reflecting both the source and disposition of the gas revenue dollar for the years 1980 through 1988. In Figure No. 5-15 this same information is illustrated in pie charts for both the source and disposition of the gas revenue dollar for 1987.

I. STATISTICAL SUMMARY DATA

The total gross operating revenues for the Class A natural gas companies were more than $595 million in 1988. This reflects a 3.2% decrease from the previous year. Operating expenses including taxes decreased 4.6% in 1988, and net operating income increased 16.6%.

Interest on long-term debt decreased .1%, and earnings per share outstanding decreased from $2.05 in 1987 to $2.03 in 1988. The average number of common stock shares outstanding increased by 16.2% to 22,947,000 shares at the end of 1988. The average number of full-time employees in 1988 totaled 2,646, an increase of 69 persons. The total wages paid these employees equaled $67,940,000, a 9.4% increase from the previous year. See Figure No. 5-16 for additional financial and operating statistical data.

FIGURE NO. 5-4

NATURAL GAS COMPANIES-- CLASS A
GROSS PLANT INVESTMENTS--YEAR-END DATA ($000s)
(N.C. Data Only)
1963-1988

Year	N.C. Natural Gas Co.	Penn & Southern Gas Co.	Piedmont Natural Gas Co.	Public Service Co. of N.C.	United Cities Gas Co.	Totals	% Change From Prior Year
1963	$29,325	$2,338	$45,175	$37,293	$672	$114,803	
1964	30,237	2,505	49,765	42,591	694	$125,792	9.6 %
1965	31,136	2,730	55,621	48,008	705	$138,200	9.9 %
1966	32,272	3,059	59,880	54,382	763	$150,356	8.8 %
1967	34,353	3,360	65,384	61,963	922	$165,982	10.4 %
1968	40,463	3,655	72,417	68,359	919	$185,813	11.9 %
1969	44,597	3,876	79,287	74,799	1,001	$203,560	9.6 %
1970	47,676	4,064	86,347	80,825	1,386	$220,298	8.2 %
1971	51,691	4,366	89,675	86,047	1,623	$233,402	5.9 %
1972	54,416	4,581	99,864	90,964	1,868	$251,693	7.8 %
1973	56,571	4,792	107,031	95,663	2,070	$266,127	5.7 %
1974	58,162	4,858	110,179	100,982	2,275	$276,456	3.9 %
1975	59,981	5,304	111,973	111,602	2,402	$291,262	5.4 %
1976	62,363	5,451	113,970	118,924	2,606	$303,314	4.1 %
1977	64,355	5,440	117,842	123,821	2,744	$314,202	3.6 %
1978	66,859	5,595	125,140	129,207	3,010	$329,811	5.0 %
1979	70,393	5,826	132,120	137,009	3,211	$348,559	5.7 %
1980	76,058	6,284	147,546	151,932	3,942	$385,762	10.7 %
1981	82,091	6,406	160,032	165,475	4,350	$418,354	8.4 %
1982	87,482	6,660	174,280	184,661	--	$453,083	8.3 %
1983	92,729	6,834	189,714	199,101	--	$488,378	7.8 %
1984	96,956	7,061	206,014	219,625	--	$531,656	8.9 %
1985	113,096	7,439	224,957	239,663	--	$585,155	10.1 %
1986	128,428	7,828	245,324	257,193	--	$638,773	9.2 %
1987	134,465	8,114	272,499	284,795	--	$699,873	9.6 %
1988	144,351	8,697	315,292	319,834	--	$788,174	12.6 %
Percent Change							
1988 over 1987	7.4 %	7.2 %	15.7 %	12.3 %	--	12.6 %	

FIGURE NO. 5-5

CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)
(N.C. Data Only)
1963-1988

Year	Residential	Commercial	Industrial	Other (a) Classes	Totals	% Change From Prior Year
1963	125,435	17,470	1,661	13,387	157,953	
1964	134,097	18,903	1,802	13,276	168,078	6.4 %
1965	145,080	20,613	1,860	17,834	185,387	10.3 %
1966	156,836	22,363	1,984	16,187	197,370	6.5 %
1967	169,127	24,241	2,107	15,639	211,114	7.0 %
1968	182,622	26,250	2,018	17,193	228,083	8.0 %
1969	196,570	28,918	2,625	18,580	246,693	8.2 %
1970	208,712	30,572	2,789	20,213	262,286	6.3 %
1971	220,941	31,834	2,308	20,435	275,518	5.0 %
1972	233,746	32,409	2,336	21,083	289,574	5.1 %
1973	242,405	33,245	2,218	21,645	299,513	3.4 %
1974	251,611	34,239	1,883	21,820	309,553	3.4 %
1975	255,339	35,141	1,862	22,221	314,563	1.6 %
1976	259,355	35,435	1,752	22,561	319,103	1.4 %
1977	267,629	35,141	1,862	17,007	321,639	0.8 %
1978	276,273	35,559	1,819	14,444	328,095	2.0 %
1979	280,289	36,162	1,809	14,794	333,054	1.5 %
1980	294,343	37,904	1,911	15,140	349,298	4.9 %
1981	304,072	39,108	1,992	14,979	360,151	3.1 %
1982	314,108	40,624	2,026	14,962	371,720	3.2 %
1983	324,569	42,364	2,126	15,095	384,154	3.3 %
1984	335,249	44,147	2,104	15,532	397,032	3.4 %
1985	348,331	45,770	2,535	15,222	411,858	3.7 %
1986	367,393	48,605	2,913	15,099	434,010	5.4 %
1987	399,056	52,465	2,938	15,098	469,557	8.2 %
1988	413,519	55,176	2,988	14,346	486,029	3.5 %
Percent Change						
1988 over 1987	3.6 %	5.2 %	1.7 %	(5.0)%	3.5 %	

(a) Includes public housing units rather than meters.

FIGURE NO. 5-6

GAS COMPANIES--CUSTOMER GROWTH BY CLASSES
(North Carolina Data Only--Annual Average Shown)
1970, 1975 ,1980, 1985, 1986, 1987, 1988

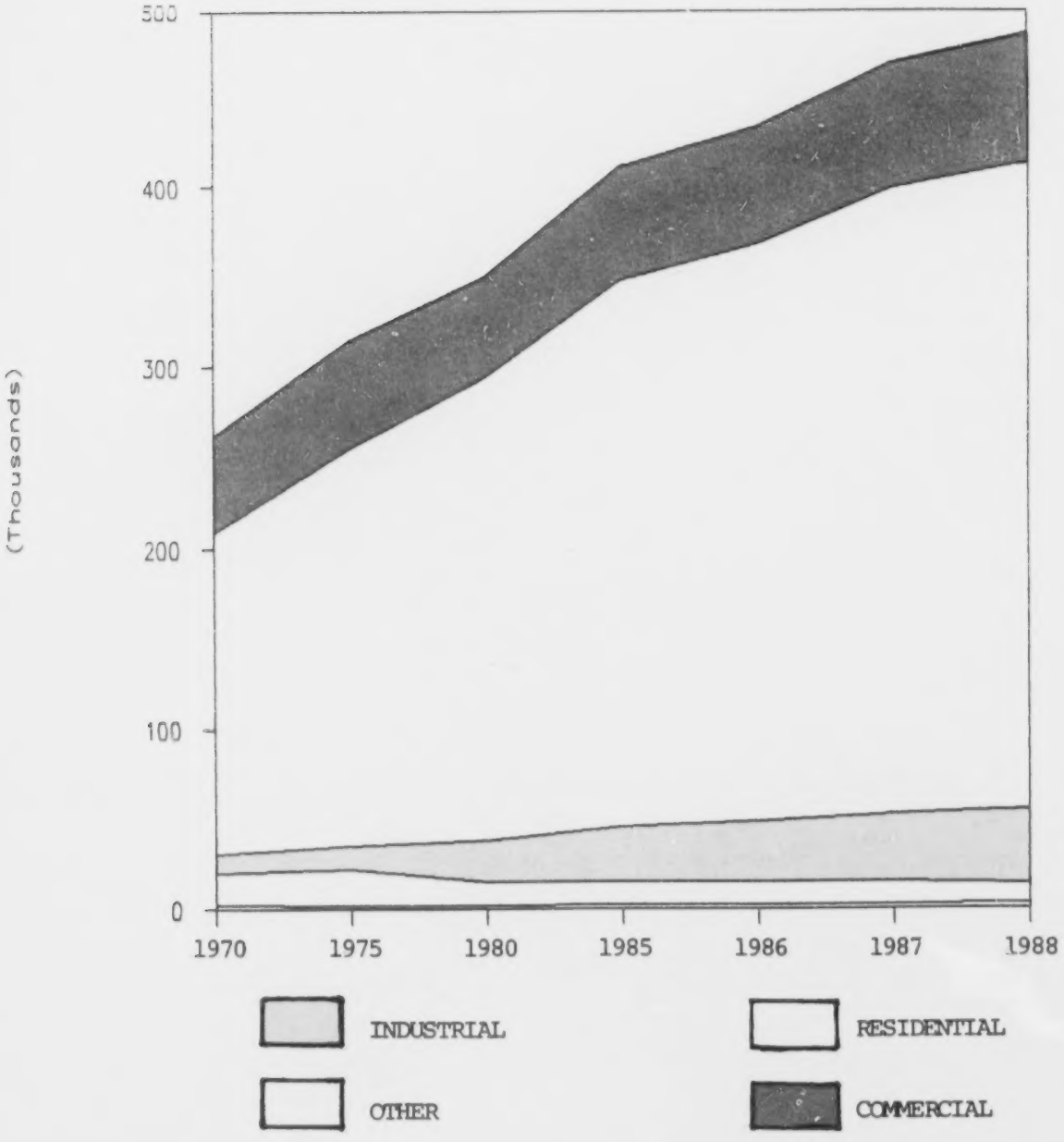


FIGURE NO. 5-7

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Dekatherms--North Carolina Data Only)
1980, 1984, 1985, 1986, 1987, 1988

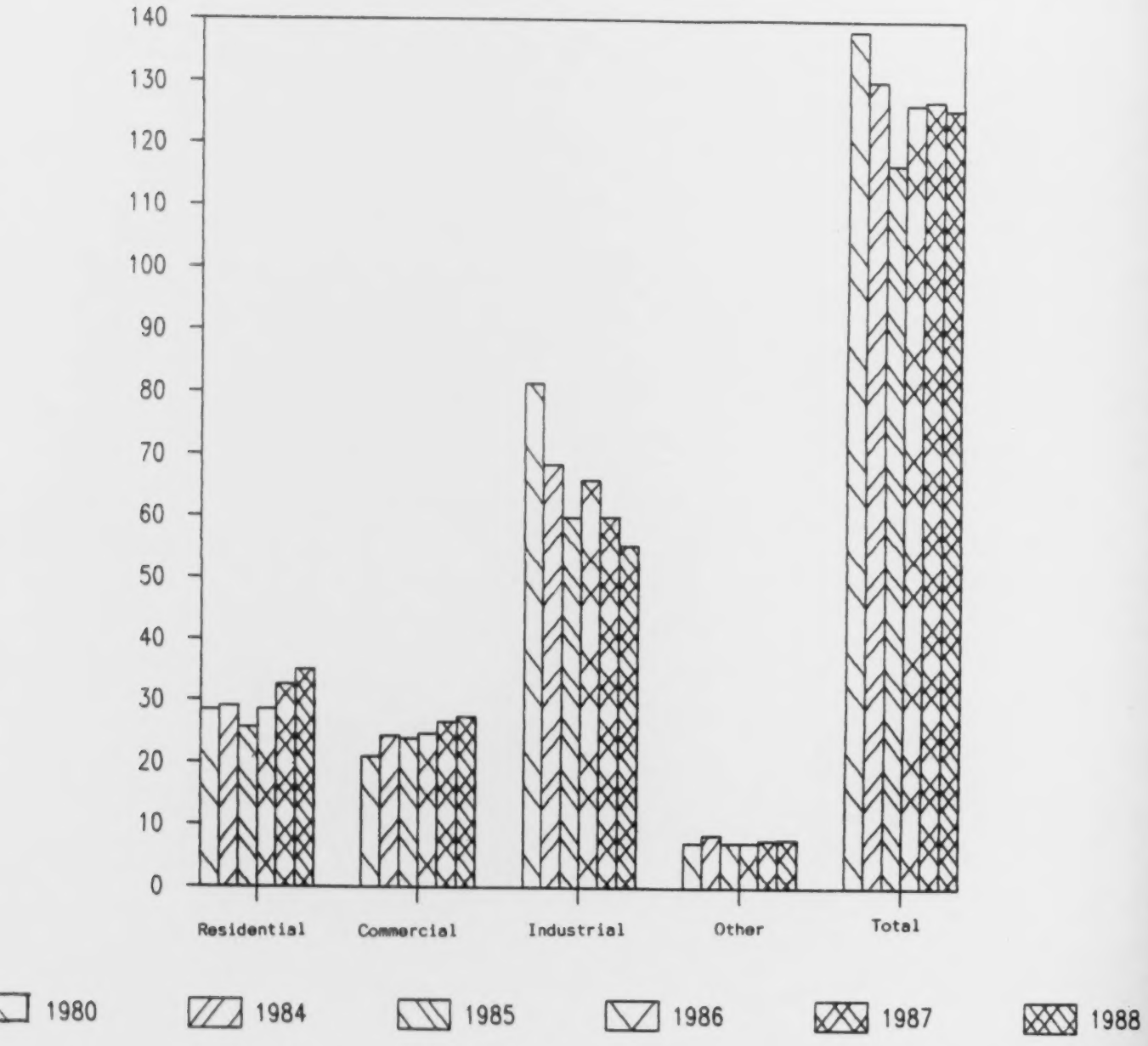


FIGURE NO. 5-8 A

Summary of Natural Gas Sales of Mcfs (1975) and Dekatherms (1980-1988)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1975, 1980, 1985, 1986, 1987, 1988

Sales--Mcfs and DTs (000s)	1975	% of Total	1980	% of Total	1985	% of Total
Residential	24,458	24.8 %	28,563	20.7 %	25,713	22.0 %
Commercial	15,867	16.1	20,946	15.1	24,003	20.5
Industrial	51,456	52.2	81,591	58.9	59,952	51.3
Other	6,768	6.9	7,320	5.3	7,206	6.2
Total Sales	98,549	100.0 %	138,420	100.0 %	116,874	100.0 %
Revenues: ($000s)						
Residential	$49,823	31.4 %	$117,253	23.9 %	$165,987	26.1 %
Commercial	28,306	17.8	78,126	15.9	135,834	21.3
Industrial	71,601	45.1	269,458	55.0	287,098	45.1
Other	9,028	5.7	25,181	5.1	47,560	7.5
Total Revenues	$158,760	100.0 %	$490,018	100.0 %	$636,479	100.0 %
Customers: (Annual Average)						
Residential	255,339	81.2 %	294,343	84.3 %	348,331	84.6 %
Commercial	35,141	11.2	37,904	10.9	45,770	11.1
Industrial	1,862	0.6	1,911	0.5	2,535	0.6
Other	22,221	7.1	15,140	4.3	15,222	3.7
Total Customers	314,563	100.0 %	349,298	100.0 %	411,858	100.0 %

Percent Change in Sales of Gas: (Mcfs and Dekatherms)

Sales:	1980/1975	1985/1980
Residential	16.8 %	(10.0)%
Commercial	32.0	14.6
Industrial	58.6	(26.5)
Other	8.2	(1.6)
Total Sales	40.5 %	(15.6)%

FIGURE NO. 5-8 B

Summary of Natural Gas Sales of Mcfs (1975) and Dekatherms (1980-1988)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1975, 1980, 1985, 1986, 1987, 1988

Sales--Mcfs and DTs (000s)	1986	% of Total	1987	% of Total	1988	% of Total
Residential	28,660	22.6 %	32,654	25.7 %	35,044	27.9 %
Commercial	24,741	19.5	26,631	20.9	27,484	21.9
Industrial	65,951	52.1	60,066	47.3	55,308	44.0
Other	7,281	5.8	7,743	6.1	7,792	6.2
Total Sales	126,633	100.0 %	127,094	100.0 %	125,628	100.0 %
Revenues: ($000s)						
Residential	$186,173	30.9 %	$213,441	35.1 %	$215,215	37.0 %
Commercial	133,032	22.1	138,251	22.7	136,760	23.5
Industrial	235,571	39.1	223,042	36.6	194,159	33.4
Other	47,615	7.9	33,819	5.6	35,558	6.1
Total Revenues	$602,391	100.0 %	$608,553	100.0 %	$581,692	100.0 %
Customers: (Annual Average)						
Residential	367,393	84.7 %	399,056	85.0 %	413,519	85.1 %
Commercial	48,605	11.2	52,465	11.2	55,176	11.3
Industrial	2,913	0.6	2,938	0.6	2,988	0.6
Other	15,099	3.5	15,098	3.2	14,346	3.0
Total Customers	434,010	100.0 %	469,557	100.0 %	486,029	100.0 %

Percent Change in Sales of Gas: (Mcfs and Dekatherms)

Sales:	1986/1985	1987/1986	1988/1987
Residential	11.5 %	13.9 %	7.3 %
Commercial	3.1	7.6	3.2
Industrial	10.0	(8.9)	(7.9)
Other	1.0	6.3	0.6
Total Sales	8.4 %	0.4 %	(1.2)%

FIGURE NO. 5-9 A

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Mcfs & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

Total Number of Customers--Yearly Average

COMPANY	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
Class A:								
N.C.Natural Gas	50,150	58,082	64,812	66,365	68,376	70,092	72,432	3.3 %
N.C. Gas Service (Penn. & Southern)	8,220	8,739	8,842	8,911	9,645	9,950	10,197	2.5
Piedmont Natural Gas	137,461	147,743	167,257	172,956	181,939	191,832	204,469	6.6
Public Service Co. of N.C.	116,198	131,787	156,121	163,626	174,050	197,683	198,931	0.6
United Cities Gas Co.	2,534	2,947	--	--	--	--	--	--
Total--Regulated Utilities (1)	314,563	349,298	397,032	411,858	434,010	469,557	486,029	3.5 %
Municipals:								
Bessemer City	508	354	562	565	584	602	665	10.5 %
Greenville, City of	4,687	3,456	4,203	4,409	4,561	4,885	5,276	8.0
Kings Mountain, City of	1,637	1,767	1,632	1,458	1,752	2,167	2,198	1.4
Lexington, City of	4,354	4,369	4,526	4,581	N/A	N/A	N/A	N/A
Monroe, City of	2,419	2,361	2,208	N/A	N/A	N/A	N/A	N/A
Rocky Mount, City of	7,460	8,195	9,001	9,437	9,779	9,891	10,143	2.5
Shelby, City of	3,767	3,684	4,284	4,250	4,301	4,326	4,541	5.0
Wilson, City of	5,442	5,873	6,351	6,386	6,448	6,552	6,768	3.3
Total--Municipals (2)	30,274	30,059	32,767	31,086	27,425	28,423	29,591	4.1 %
GRAND TOTALS--ALL GAS SYSTEMS	344,837	379,357	429,799	442,944	461,435	497,980	515,620	3.5 %

(1) Totals do not include sales for resale customers.
(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-9 B

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Mcfs & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

Total Revenue From Sales of Gas (N.C. Data Only) ($ in 000s)

COMPANY	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
Class A:								
N.C. Natural Gas	$42,986	$137,056	$182,410	$150,168	$131,203	$137,321	$131,474	(4.3)%
N.C. Gas Service (Penn. & Southern)	3,166	9,642	14,876	12,783	11,104	11,386	10,420	(8.5)
Piedmont Natural Gas	59,831	179,421	284,777	252,852	243,411	238,390	235,366	(1.3)
Public Service Co. of N. C.	52,053	159,891	253,588	214,496	216,673	221,456	204,432	(7.7)
United Cities Gas Co.	1,096	3,011	--	--	--	--	--	--
Total--Regulated Utilities (1)	$159,132	$489,021	$735,651	$630,299	$602,391	$608,553	$581,692	(4.4)%
Municipals:								
Bessemer City	$301	$1,023	$1,576	$1,196	$1,034	$879	$1,212	37.9 %
Greenville, City of	1,145	3,660	6,005	5,986	6,910	6,600	6,783	2.8
Kings Mountain, City of	947	2,817	4,544	3,972	3,761	3,902	3,948	1.2
Lexington, City of	1,930	6,759	12,700	12,360	N/A	N/A	N/A	N/A
Monroe, City of	1,001	3,078	6,966	N/A	N/A	N/A	N/A	N/A
Rocky Mount, City of	2,715	8,563	11,532	11,214	11,181	11,283	11,435	1.3
Shelby, City of	2,338	8,649	15,506	16,287	13,719	9,301	13,566	45.9
Wilson, City of	1,399	2,883	5,932	5,410	5,018	5,683	5,458	(4.0)
Total--Municipals (2)	$11,776	$37,432	$64,761	$56,425	$41,623	$37,648	$42,402	12.6 %
GRAND TOTALS--ALL GAS SYSTEMS	$170,908	$526,453	$800,412	$686,724	$644,014	$646,201	$624,094	(3.4)%

(1) Does not include Other Operating Revenues.
(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-9 C

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Mcfs & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

Total Mcfs and Dekatherms of Gas Sold (000s) (1)

COMPANY	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
Regulated Utilities								
Class A:								
N. C. Natural Gas	30,763	41,947	34,273	30,522	31,875	33,198	34,178	3.0 %
N.C. Gas Service (Penn. & Southern)	1,898	2,672	2,455	2,206	2,152	2,377	2,300	(3.2)
Piedmont Natural Gas	34,822	48,991	49,952	46,358	49,976	48,011	48,298	0.6
Public Service Co. of N.C.	30,490	43,942	43,625	37,794	42,630	43,508	40,852	(6.1)
United Cities Gas Co.	576	868	--	--	--	--	--	--
Total--Regulated Utilities	98,549	138,420	130,305	116,874	126,633	127,094	125,628	(1.2)%
Municipals:								
Bessemer City	290	379	339	229	200	209	284	35.9 %
Greenville, City of	600	940	916	956	1,186	1,186	1,279	7.8
Kings Mountain, City of	980	1,008	879	761	810	969	943	(2.7)
Lexington, City of	2,024	2,609	2,731	2,680	N/A	N/A	N/A	N/A
Monroe, City of	670	878	1,112	N/A	N/A	N/A	N/A	N/A
Rocky Mount, City of	1,608	2,170	1,957	1,963	2,038	2,167	2,564	18.3
Shelby, City of	2,760	3,553	3,463	3,652	3,200	3,520	4,264	21.1
Wilson, City of	782	853	941	877	831	906	975	7.6
Total--Municipals (2)	9,714	12,390	12,338	11,118	8,265	8,957	10,309	15.1 %
GRAND TOTALS--ALL GAS SYSTEMS	108,263	150,810	142,643	127,992	134,898	136,051	135,937	(0.1)%

(1) Sales for 1975 shown in Mcfs. Sales from 1980 shown in dekatherms (DTs). Dekatherms = 1.030 Mcfs.
(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-10

RESIDENTIAL NATURAL GAS CUSTOMERS' AVERAGE ANNUAL USAGE AND COST DATA (Mcf and DT)
North Carolina and Selected Gas Companies Outside North Carolina
For the Years 1975, 1980, 1985, 1986, 1987, 1988

Company	Use--Mcf & DT (1)						Rate per Mcf or DT						Total Cost					
N.C. Gas Companies:	1975	1980	1985	1986	1987	1988	1975	1980	1985	1986	1987	1988	1975	1980	1985	1986	1987	1988
(N.C. Data Only)																		
N.C. Natural Gas Corp.	77	79	60	65	73	74	$2.02	$4.04	$6.03	$5.87	$6.34	$5.74	$155.54	$319.16	$361.80	$381.55	$462.82	$424.76
N.C. Gas Service (Penn. & Southern)	116	92	71	75	82	82	1.79	4.11	6.67	6.25	5.82	5.91	207.64	378.12	473.57	468.75	477.24	484.62
Piedmont Natural Gas Co., Inc.	97	106	79	84	90	91	1.99	4.07	6.51	6.56	6.17	5.90	193.03	431.42	514.29	551.04	555.30	536.90
Public Service Co. of N.C., Inc.	98	95	73	77	77	82	2.15	4.11	6.51	6.62	7.02	6.52	210.70	390.45	475.23	509.74	540.54	534.64
United Cities Gas Co. (2)	88	89	---	---	---	---	2.40	4.18	---	---	---	---	211.20	372.02	---	---	---	---
Weighted Average	95	97	74	78	82	85	$2.05	$4.08	$6.46	$6.50	$6.54	$6.14	$194.75	$395.76	$478.04	$507.00	$536.28	$521.90

Company	Headquarters	Use--Mcf & DT (1)						Rate per Mcf or DT						Total Cost					
Gas Companies Outside N.C.:		1975	1980	1985	1986	1987	1988	1975	1980	1985	1986	1987	1988	1975	1980	1985	1986	1987	1988
(Systemwide Data) (3)																			
Alabama Gas Co.	Birmingham, Alabama	91	93	79	74	78	80	$1.72	$4.01	$6.27	$6.51	$6.61	$6.66	$156.52	$372.93	$495.33	$481.74	$515.58	$532.80
Arkansas Western Gas	Fayetteville, Arkansas	114	105	90	84	85	83	1.12	2.59	4.90	5.07	4.70	4.57	127.68	271.95	441.00	425.88	399.50	379.31
Essex County Gas Co.	Haverhill, Massachusetts	93	89	85	87	90	90	2.93	5.26	8.49	7.93	7.01	7.52	272.49	468.14	721.65	689.91	630.90	676.80
Fall River Gas Co.	Fall River, Massachusetts	86	93	89	94	95	97	3.61	5.03	7.04	6.48	5.69	5.74	310.46	467.79	626.56	609.12	540.55	556.78
Indiana Gas. Co.	Indianapolis, Indiana	160	144	114	113	107	114	1.37	2.95	6.53	6.22	5.80	5.72	219.20	424.80	744.42	702.86	620.60	652.08
Mississippi Valley Gas Co.	Jackson, Mississippi	87	90	78	73	76	78	1.41	3.30	5.12	5.33	5.81	5.91	122.67	297.00	399.36	389.09	441.56	460.98
Washington Natural Gas Co.	Seattle, Washington	122	97	93	94	84	90	2.12	4.92	6.69	6.15	5.39	5.44	258.64	477.24	622.17	578.10	452.76	489.60
National Average (4)		122	115	98	94	93	98	$1.69	$3.17	$5.95	$5.65	$5.39	$5.29	$206.18	$364.55	$583.10	$531.10	$501.27	$518.42

(1) 1975 Use shown in Mcfs
1980-1988 Use shown in Dekatherms (DTs)
1 Dekatherm = 1.030 Mcfs

(2) Public Service Co. of N.C., Inc. purchased United Cities Gas Co. and assumed full operation and control on Oct. 1, 1982. (Docket No. G-5, Sub 179)

(3) Source: Company Annual Stockholder Reports

(4) Source: Gas Facts--Editions for years shown

FIGURE NO. 5-11

GAS TRACKING CHANGES APPROVED
1988

Company	Docket	Number	Increase/ (Decrease)	Increase/(Decrease) Per Dekatherm
N.C. Gas Company (Penn. & Southern)	G-3, SUBS 148-152, 154	5	$567,963	0.3638
N.C. Natural Gas Company	G-21,SUBS 268, 269, 271, 273	4	8,920,999	0.5217
Piedmont Natural Gas Company	G-9, SUBS 277, 279, 282, 286	4	8,029,228	0.1615
Public Service Gas Company	G-5, SUBS 231, 232, 233, 237	4	7,992,892	0.2700
Total		17	$25,511,082	

FIGURE NO. 5-12

1988 REFUNDS AND CUMULATIVE DOLLARS PAID TO FUND E & D PROGRAMS
BY TYPICAL RESIDENTIAL CUSTOMER AS OF 12/31/88

Company	Cumulative Costs per Customer		Customer Refunds 1988	Balance 12-31-88
	Total 1975-1982	Balance 1-01-88		
N.C. Gas Service (Penn. & Southern)	$30.86	$20.17	$0.00	$20.17
N.C. Natural Gas Company	51.26	25.52	3.17	22.35
Piedmont Natural Gas Company	36.88	15.38	1.61	13.77
Public Service Gas Company	49.71	23.19	2.94	20.25

FIGURE NO. 5-13

GENERAL RATE INCREASES APPROVED
GAS COMPANIES
1988

Company	Date Filed	Docket Number	Amount Requested ($000s)	Amount Approved ($000s)	% Approved of Amount Requested	Date of Final Order
Piedmont Natural Gas Company	5-06-88	G-9, Sub 278	$9,616	$6,248	64.9%	12-05-88
Total			$9,616	$6,248	64.9%	

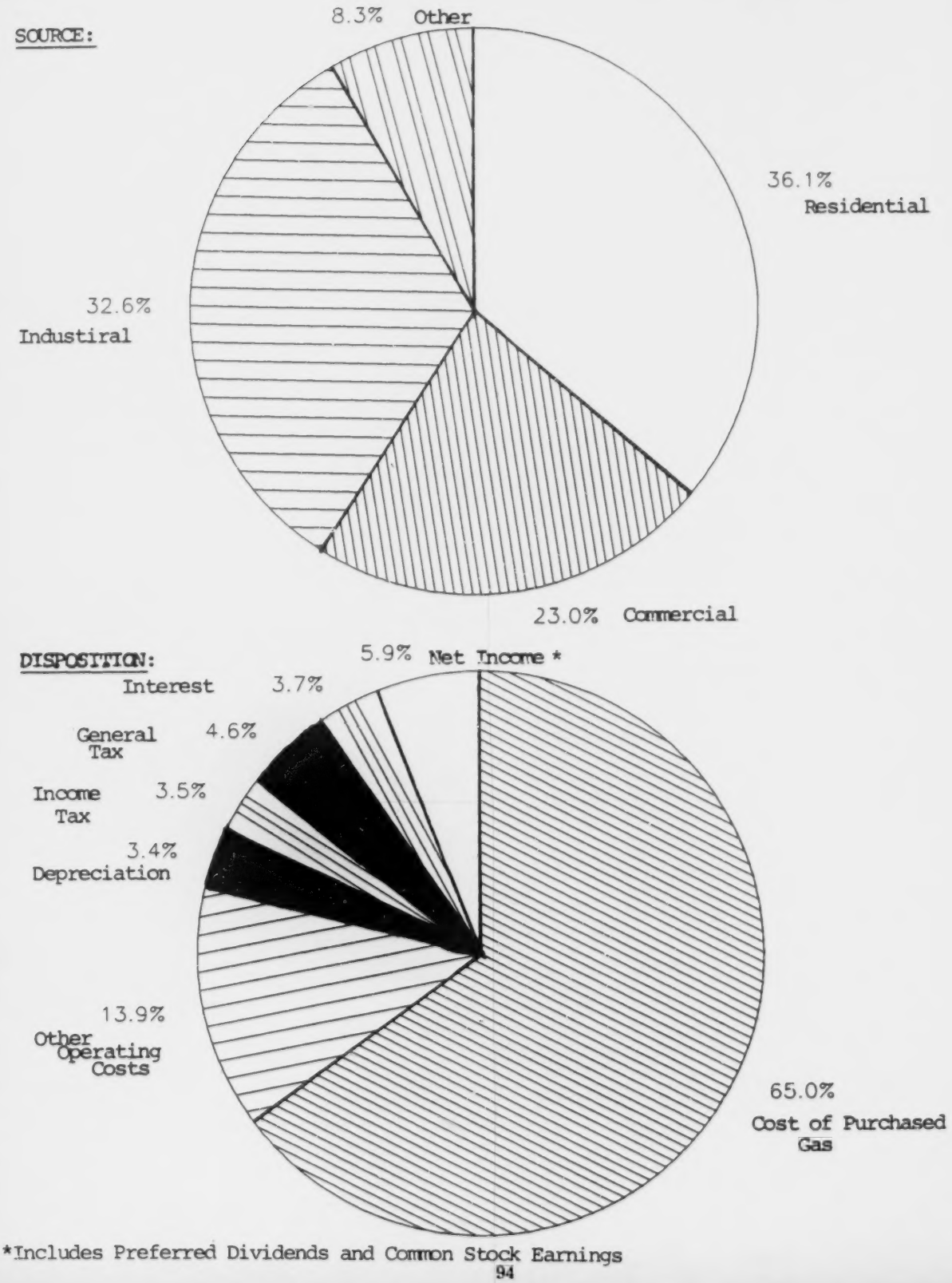
FIGURE NO. 5-14

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
(N.C. DATA ONLY)
For the Years 1981-1988

Source	1981	1982	1983	1984	1985	1986	1987	1988
Residential	23%	25%	26%	26%	26%	30%	35%	36%
Commercial	16	18	19	19	21	22	22	23
Industrial	56	52	49	50	45	39	36	33
Other	5	5	6	5	8	9	7	8
Total	100%	100%	100%	100%	100%	100%	100%	100%

Disposition	1981	1982	1983	1984	1985	1986	1987	1988
Cost of Purchased Gas	76%	76%	75%	74%	76%	71%	68%	65%
Other Operating Expenses	7	9	8	8	10	11	12	14
Depreciation & Amortization	2	2	2	2	2	3	3	3
Income Taxes	1	1	3	3	2	3	4	3
General Taxes	7	7	7	7	4	4	4	5
Interest	3	2	2	2	3	3	3	4
Net Income	4	3	3	4	3	5	o	6
Total	100%	100%	100%	100%	100%	100%	100%	100%

FIGURE NO. 5-15
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY
1988



*Includes Preferred Dividends and Common Stock Earnings

FIGURE NO. 5-16 A
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1970, 1975, 1980, 1985, 1986, 1987 AND 1988
(NC Data Except as Noted)

ITEM	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
Number of Companies Regulated	5	5	5	4	4	4	4	
Number included in this data	5	5	5	4	4	4	4	
INCOME STATEMENT (000s):								
Sales--Residential		$49,823	$117,253	$165,988	$186,173	$213,441	$215,215	0.8 %
Commercial		28,308	78,126	135,833	133,032	138,251	136,760	(1.1)
Industrial		71,602	269,458	287,099	235,571	223,042	194,159	(12.9)
Other Sales		9,399	24,184	41,379	47,615	33,819	35,558	5.1
Total Sales of Gas	$98,328	159,132	489,021	630,299	602,391	608,553	581,692	(4.4)
Other Operating Revenues	159	(372)	997	6,180	6,646	6,792	13,920	N/C
Total Gas Operating Revenues	$98,487	$158,760	$490,018	$636,479	$609,037	$615,345	$595,612	(3.2)%
Expense Items:								
Production Expense	$51,628	$81,995	$367,455	$481,468	$433,149	$418,225	$387,164	(7.4)%
Transmission Expense	1,909	264	395	2,671	2,861	2,807	3,115	11.0
Distribution Expense				19,402	20,267	21,421	23,006	7.4
Customer Accounts Expense				11,794	13,180	15,216	14,861	(2.3)
Sales Expense		1,258	2,396	4,253	5,271	5,362	5,816	8.5
Administrative & General Expense				22,804	25,508	29,245	32,241	10.2
Depreciation Expense	5,153	7,660	10,597	14,901	16,436	18,546	20,451	10.3
Natural Gas Storage				1,763	1,992	2,187	2,779	27.1
Customer Service & Informational Expense				415	446	531	628	18.3
Other Expense	11,688	20,323	34,520	0	0	0	45	N/C
Total Operating Expenses Before Taxes	$70,378	$111,500	$415,363	$559,471	$519,110	$513,540	$490,106	(4.6)%
State Taxes:								
Income Tax	$655	$1,286	$1,353	$881	$1,564	$3,592	$3,138	(12.6)%
Gross Receipts Tax		9,602	29,022	20,894	18,802	19,851	19,056	(4.0)
Property Tax	8,289	2,750	3,128	3,958	4,201	4,049	4,729	16.8
Other State Taxes		66	197	98	1,529	156	277	77.6
Total State Taxes	$8,944	$13,704	$33,700	$25,831	$26,096	$27,648	$27,200	(1.6)%
Federal Taxes:								
Income Tax	$4,512	$9,053	$6,345	$3,328	$10,335	$21,446	$14,182	(33.9)%
Provision for Deferred Taxes		2,354	3,435	7,283	9,470	2,500	3,616	44.6
Income Tax Deferred in Prior Years		(13)	(9)	(12)	(12)	(3,182)	628	N/C
Investment Tax Credit		208	2,637	2,920	(148)	(935)	(1,020)	9.1
Payroll, Unemployment & Other Federal Taxes	1,118	866	1,461	2,897	1,581	3,339	3,541	6.0
Total Federal Taxes	$5,630	$12,468	$13,869	$16,416	$21,226	$23,168	$20,947	(9.6)%
Total State & Federal Taxes	$14,574	$26,172	$47,569	$42,247	$47,322	$50,816	$48,147	(5.3)%
Total Operating Expenses	$84,952	$137,672	$462,932	$601,718	$566,432	$564,356	$538,253	(4.6)%

N/C = Not Comparable

FIGURE NO. 5-16 B
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1970, 1975, 1980, 1985, 1986, 1987 AND 1988
(NC Data Except as Noted)

ITEM	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
Net Operating Income	$13,535	$21,088	$27,086	$34,761	$42,605	$50,989	$57,359	12.5 %
Other Income & Expenses								
Other Income	$1,003	$438	$3,013	$2,320	$2,174	$4,398	$5,584	27.0 %
Allowance for Funds Used During Construction		484	99	1,191	1,391	682	1,046	53.4
Deductions from Income		53	256	1,103	1,192	1,910	2,717	42.3
Total Other Income & Expense	$1,003	$869	$2,856	$2,408	$2,373	$3,170	$3,913	23.4 %
Fixed Charges								
Interest on Funded Debt	$6,428	$7,790	$9,348	$14,689	$17,552	$17,731	$17,715	(0.1)%
Other Fixed Charges	1,359	948	2,915	5,462	3,527	3,533	5,273	49.2
Allow. for Borrowed Funds Used During Construction				(485)	(715)	(178)	(267)	50.0
Total Fixed Charges	$7,787	$8,738	$12,263	$19,666	$20,364	$21,086	$22,721	7.8 %
Extraordinary Items				458	0	0	0	0.0 %
Net Income	$6,751	$13,219	$17,679	$17,961	$24,614	$33,073	$38,551	16.6 %
BALANCE SHEET (000s):								
Utility Plant in Service	$220,298	$280,163	$379,473	$563,715	$624,759	$673,449	$759,090	12.7 %
Construction Completed Not Classified	0	0	0	2,078	2,623	2,845	2,775	(2.5)
Leased to Others	0	23	23	19	19	19	19	0.0
Held for Future Use	0	736	250	1,304	1,322	356	355	(0.3)
Construction Work in Progress	0	10,452	6,036	17,589	9,600	22,754	25,485	12.0
Acquisition Adjustments	0	(112)	(20)	450	450	450	450	0.0
Total Utility Plant	$220,298	$291,262	$385,762	$585,155	$638,773	$699,873	$788,174	12.6 %
Depreciation Reserve	41,397	70,874	115,234	177,459	192,276	214,825	232,843	8.4
Net Utility Plant	$178,901	$220,388	$270,528	$407,696	$446,497	$485,048	$555,331	14.5 %
Customer Accounts Receivable				$65,344	$64,653	$57,167	$67,853	18.7 %
Accounts Receivable--Associated Companies				8,443	7,935	8,555	11,208	31.0
U.S. Government Securities				0	0	0	0	0.0
Temporary Cash Investments				0	1,001	701	1	(99.9)
Gas Stored Underground				23,031	21,215	21,148	25,009	18.3
Liquified Natural Gas Stored				8,552	7,832	5,953	7,574	27.2
Deferred Cost of Purchased Gas				9,295	6,917	5,087	6,624	30.2
Investment in Subsidiary Company				6,549	7,407	7,870	8,745	11.1
Prepayments				2,326	2,564	2,513	2,406	(4.3)
Miscellaneous Current & Accrued Assets				10,875	10,548	8,658	10,045	16.0
Other Assets				24,884	21,703	20,861	22,394	7.3
Total Assets (A)				$566,995	$598,352	$623,561	$717,190	15.0 %

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.

FIGURE NO. 5-16 C
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1970, 1975, 1980, 1985, 1986, 1987 AND 1988
(NC Data Except as Noted)

ITEM	1970	1975	1980	1985	1986	1987	1988	% Change 1988-1987
Liabilities & Stockholder's Equity (A):								
Preferred Stock				$5,602	$4,727	$3,852	$2,977	(22.7)%
Common Stock				9,152	9,492	19,112	19,550	2.3
Other Paid-in Capital				27,737	29,989	46,342	48,977	5.7
Premium on Capital Stock				29,458	45,039	47,347	62,166	31.3
Less Discount on Capital Stock				0	0	0	0	0.0
Less Capital Stock Expense				($331)	($331)	($338)	(338)	0.0
Retained Earnings				84,562	89,915	94,552	109,268	15.6
Other Capital				0	0	0	0	0.0
Total Stockholder's Equity				$156,180	$178,831	$210,867	$242,600	15.0 %
Total Long-Term Debt				$154,690	$180,749	$181,382	$212,548	17.2 %
Short-Term Obligations				0	0	0	0	0.0
Accounts Payable				65,688	61,963	53,401	70,822	32.6
Taxes Accrued				3,397	13,307	12,224	9,947	(18.6)
Matured Long-Term Debt				3,195	2,362	2,362	2,289	(3.1)
Refunds Payable				2,356	(33)	3,565	2,869	(19.5)
Accumulated Deferred Income Taxes				56,417	64,665	64,392	66,990	4.0
Accumulated Deferred Investment Tax Credits				22,297	22,093	21,055	19,990	(5.1)
Miscellaneous Current & Accrued Liabilities				3,724	1,612	5,745	12,833	N/C
Operating Reserves				184	120	0	822	N/C
Other Liabilities				98,867	72,683	68,568	75,480	10.1
Total Liabilities				$410,815	$419,521	$412,694	$474,590	15.0 %
Total Liabilities & Stockholder's Equity (A)				$566,995	$598,352	$623,561	$717,190	15.0 %
SYSTEMWIDE DATA:								
BALANCE SHEET ITEMS (000s):								
Long-Term Debt	$143,161	$146,661	$148,905	$202,452	$241,276	$234,440	$276,167	17.8 %
Retained Earnings	$24,224	$48,294	$72,006	$106,619	$114,264	$116,274	$135,036	16.1 %
Total Capitalization	$223,838	$258,189	$299,888	$399,488	$474,632	$498,462	$586,707	17.7 %
Long-Term Debt % of Total Captialization	64.0%	56.8%	49.7%	50.7%	50.8%	47.0%	47.1%	0.1 %
Average Number of Common Shares Outstanding (Actual)	6,156	7,115	8,432	9,303	14,532	19,749	22,947	16.2 %
Earnings Per Average Common Shares Outstanding (After Preferred Dividends)	$1.24	$1.99	$2.37	$2.11	$2.03	$2.05	2.03	(1.0)%
CUSTOMER AND MISCELLANEOUS DATA (NC DATA):								
Average Annual Use--Residential Customers (DTs)	116	95	97	74	78	82	85	3.7 %
Total Residential Customers	208,712	255,339	294,343	348,331	367,393	399,056	413,519	3.6 %
Grand Total--All Type Customers	262,286	314,563	349,298	411,658	434,010	469,557	486,029	3.5 %
Average Number Full-Time Employees	1,851	1,764	2,067	2,404	2,697	2,577	2,646	2.7 %
Total Salaries and Wages Paid Employees ($000s)	$13,539	$17,216	$33,085	$53,141	$59,957	$62,080	$67,940	9.4 %
Average Annual Compensation Per Employee	$7,314	$9,760	$16,006	$22,105	$22,231	$24,090	$25,676	6.6 %

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

VI. The Communications Industry

Telephone, Western Union, Regular and Cellular Radio Common Carriers

FIGURE 6-1

LOCAL EXCHANGE TELEPHONE COMPANIES OPERATING UNDER THE JURISDICTION OF THE NORTH CAROLINA UTILITIES COMMISSION AS OF DECEMBER 31, 1989

ALLTEL-Carolina, Inc.
P.O. Box 1209
106 Gordon Street
Sanford, N.C. 27330
MR. STEPHEN K. MAGINNIS, PRESIDENT

Barnardsville Telephone Company
P.O. Box 158
Leesburg, Alabama 35983
MR. JOSEPH E. HICKS, PRESIDENT

Carolina Telephone & Telegraph Company
720 Western Blvd.
Tarboro, N.C. 27886
MR. WILLIAM F. WARDWELL, V.P.-ADMIN.

Central Telephone Company
P.O. Box 2308
Hickory, N.C. 28601
MR. LARRY B. HOUCK, VICE PRESIDENT

Citizens Telephone Company
P.O. Box 1137
Brevard, N.C. 28712
MR. C.W. PICKELSIMER, JR., V.P. & GEN. MNGR.

Concord Telephone Company
P.O. Box 227
Concord, N.C. 28025
MR. PHIL WIDENHOUSE, EXECUTIVE VICE PRESIDENT

Contel of North Carolina, Inc.
Reems Creek Road
P.O. Box 655
Weaverville, N.C. 28787
MR. JIM THOMAS, ADMINISTRATOR-PUBLIC AFFAIRS

Contel of Virginia, Inc.
1108 East Main Street, Suite 1108
Richmond, Virginia 23219
MR. DALLAS H. REID, DIRECTOR

Ellerbe Telephone Company
Drawer 220
Ellerbe, N.C. 28338
MR. J.H. BENNETT, PRESIDENT

GTE South, Inc.
P.O. Box 1412
Durham, N.C. 27702
MR. TERRY M. DESMOND, GOVT. REL. MNGR.

Heins Telephone Company
P.O. Box 1209
109 Gordon Street
Sanford, N.C. 27330
MR. STEPHEN K. MAGINNIS, PRESIDENT

Lexington Telephone Company
P.O. Box 808
Lexington, N.C. 27292
MR. RICHARD G. REESE, PRESIDENT

Mebane Home Telephone Company
P.O. Box 9
Mebane, N.C. 27302
MR. W.R. HUPMAN, JR., PRESIDENT

North State Telephone Company
P.O. Box 2326
High Point, N.C. 27261
MR. ROYSTER M. TUCKER, PRESIDENT

Pineville Telephone Company
200-208 Dover Street
Pineville, N.C. 28134
MR. JOSEPH BAKER, MANAGER

Randolph Telephone Company
Drawer A
Liberty, N.C. 27298
MR. W.M. FITZGERALD, PRESIDENT

Saluda Mountain Telephone Company
P.O. Box 37
Saluda, N.C. 28773
MR. EDWIN C. LELAND, PRESIDENT

Sandhill Telephone Company
P.O. Box 1209
109 Gordon Street
Sanford, N.C. 27330
MR. STEPHEN K. MAGINNIS, PRESIDENT

Service Telephone Company
P.O. Box 158
Leesburg, Alabama 35983
MR. JOSEPH E. HICKS, PRESIDENT

Southern Bell Telephone & Telegraph Co.
P.O. Box 30188
10th Floor Southern National Center
Charlotte, N.C. 28230
MR. J.P. LACHER, VICE PRESIDENT

FIGURE 6-1 CONTINUED

LONG DISTANCE CARRIERS OPERATING UNDER THE JURISDICTION OF THE NORTH CAROLINA UTILITIES COMMISSION AS OF DECEMBER 31, 1989

MAJOR:

AT&T Communications of the Southern States, Inc.
P.O. Box 2148
Charlotte, N.C. 28211
MS. KATHLEEN CUMMINGS, ASSIST. VICE PRESIDENT

OTHER:

Business Telecom, Inc.
120-1/2 West Hargett Street
Raleigh, N. C. 27602

Cable & Wireless Communications, Inc.
1919 Gallows Road
Vienna, VA 22180

Carolina Network Corportion
316 East Morehead Street
Charlotte, N. C. 28234

Carolina Telephone Long Distance, Inc.
P. O. Box 1195
Tarboro, N. C. 27886

Econowats, Inc.
219 N. Second Street
Wilmington, N. C. 28401

Metromedia Long Distance, Inc.
1 Harmon Plaza
Secaucus, New Jersey 07096

Military Communications Center, Inc.
6436 City West Parkway
Suite 300
Eden Prairie, Minnesota 55344

MCI Telecommunications Corporation
400 Perimeter Center Terrace, N. E.
Suite 400
Atlanta, GA 30346

Mid Atlantic Telephone Company
1106 East Market Street
Greensboro, N. C. 27401

Phone America of Carolina, Inc.
P. O. Box 241346
Charlotte, N. C. 28224

SouthernNet of North Carolina
780 Douglas Road, Suite 800
Atlanta, GA 30342

SouthernNet Services, Inc.
780 Douglas Road, Suite 800
Atlanta, GA 30342

Tri-Tel Communications
16-D Oak Branch Drive
Greensboro, N. C. 27407

US Sprint Communications Company
3065 Hargrove Road
Atlanta, GA 30339

Wynn Hill
206 East Center Street
P. O. Box 1631
Lexington, N. C. 27292

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY--GENERAL

At December 31, 1988, there were 19 telephone companies, one major interexchange carrier, 15 long distance carriers and one telephone municipality under the jurisdiction of the North Carolina Utilities Commission. Several of these companies also have operations in other states.

The statistical comparisons of the twenty major telephone companies are shown in the schedules following the narrative section of this chapter and include data through 1988 for the following companies:

Alltel-Carolina Telephone Company
Barnardsville Telephone Company
Carolina Telephone & Telegraph Co.
Central Telephone Company
Citizens Telephone Company
Concord Telephone Company
Contel of North Carolina, Inc.
Contel of Virginia, Inc.
Ellerbe Telephone Company
GTE South, Inc.
Heins Telephone Company
Lexington Telephone Company
Mebane Home Telephone Company
North State Telephone Company
Pineville Telephone Company
Randolph Telephone Company
Saluda Mountain Telephone Company
Sandhill Telephone Company
Service Telephone Company
Southern Bell Telephone & Tele graph Company.

However, more recent data was available and utilized for various schedules. The schedule headlines identify the time period covered.

A list of the Telephone Holding Companies and their wholly owned or controlled operating telephone companies, which were under Commission regulation as of December 31, 1988, is as follows:

Parent Holding Company	Operating Telephone Company
BellSouth Corp.	Southern Bell Tel. & Tel. Co.
Centel Corporation	Central Tel. Co.
Contel	Contel of North Carolina, Inc.
(Contel continued)	Contel of Virginia, Inc. (Serves Knotts Island, N.C.)
Gen. Tel. & Electronics	GTE South, Inc.
Alltel Corporation	ALLTEL Carolina Tel. Co.
	Sandhill Tel. Co.
T.D.S. Inc. (Telephone & Data Systems, Inc.)	Barnardsville Tel. Service Tel. Co.
United Telecommunications, Inc.	Carolina Tel. & Tel. Co.

Long Distance Competition

The Commission authorized full intrastate interLATA toll competition by both facilities-based and resale interchange carriers (IXCs) and intraLATA toll competition through the resale of interLATA WATS, 800 service, MTS, FX-like and private line-like services leased from the local exchange companies (LECs). IntraLATA toll calls completed over any other facilities remain subject to payment of compensation to the LECs at a rate of 4.72¢ per conversation minute. During 1988 the Commission made no changes in the level of intrastate toll competition previously authorized.

The Commission rules governing the filing of rates and tariffs by the certified IXCs, allows competing carriers (except AT&T) to raise or lower their rates on 14 days' notice to the Commission. The 14 days' notice also applies to rate increases to affected subscribers. AT&T is allowed to decrease rates on 14 days' notice to the Commission and to increase rates up to AT&T's capped rates on 14 days' notice to the Commission and to the affected subscribers. At the end of 1988, seventeen (17) IXCs have been

certified to operate in North Carolina, including one carrier that is a wholly owned subsidiary of an LEC. There was one IXC applications for certification pending at the end of 1988.

Access Charges

In April 1988, the Commission issued an order establishing a plan allowing Local Exchange Companies (LEC's) to bill and keep intrastate interLATA access charges, effective July 1, 1988. A uniform terminating carrier common line charge was established for all companies. The Commission concluded that LECs can not exceed Southern Bell's originating carrier common line charge and established a high cost fund to provide revenue support to those LEC's whose originating carrier common line charges (OCCLC's) would otherwise exceed Southern Bell's. Another requirement placed on the LEC's is that on the 1st day of July each year, new OCCLCs and a new high cost additive would be compiled using minutes of use from the prior year. Also in April, an order was issued holding in abeyance the initiation of facilities based intraLATA competition pending the Commission's review of data from the depooling of interLATA access charges.

In the universal WATS access lines (UWALS) hearings, the Commission concluded that, effective February 15, 1988, UWALS may be used in both a bijurisdictional (interstate and intrastate interLATA) and a bidirectional (WATS and 800 service) mode.

Depreciation Studies

The telecommunications industry's structure and operating environment is being altered as a result of the Federal Communications Commission's (FCC) decisions and technical changes. The cumulative effect of the FCC decisions deregulating the industry and the rapidly occurring technological changes are causing earlier retirements of telephone company investments. Thus, depreciation represcription requests by telephone companies have increased in frequency and in dollar amounts.

In 1988, the Commission addressed several capital recovery matters. There were depreciation represcription rate studies totaling $13 million for AT&T and Contel - NC. Also included in these matters were nine special amortizations for recovery of depreciation reserve deficiencies totaling $42 million. The nine audited for these were Carolina, Concord, Central, Lexington, Mebane Home, Randolph, Sandhill, Service and North State Telephone Companies. The rate restructuring of depreciation for thirteen companies associated with the new Uniform System of Accounts (USOA) did not result in an increase in over-all depreciation expenses, but did realign the existing rates to match the new plant accounts created by the revised USOA. The prime reason for the depreciation rate increases is economic obsolescence of the older technology represented by analog switching equipment and paired copper cables. The enhanced services and economic advantages associated with new technologies, such as digital switching equipment and optical fiber cables, justifies the accelerated retirement of the older facilities.

Alternate Operator Services (AOS) Companies

The AOS companies are a new type entrant into the telecommunications industry. The AOS companies provide service by signing contracts with entities whereby all operator-assisted calls are routed to the AOS company for completion. Many AOS companies appear to be handling local and direct dialed long-distance calls as well. These companies are primarily competing with AT&T's operator service offerings available for hotel/motels, hospitals, and customer-owned pay telephones. The AOS companies pay commissions on operator-assisted calls from patrons of

the hotel/motels, hospitals, or customer-owned pay telephones. This incentive was not being offered by AT&T in 1988.

In comparison with AT&T and other interexchange carriers, the AOS companies tend to charge much higher rates.

During 1988, the Commission received four applications for certification of AOS companies. In October of 1988, the Commission issued an order finding that intrastate certifi-cation of AOS providers was not in the public interest. As a result of this decision AOS operators may not legally handle long distance calls which originate and terminate within the state.

Shared Use and Resale

The North Carolina General Assembly ratified a bill in 1987 authorizing the Commission to adopt procedures for allowing shared use and/or resale of any telephone service provided to persons who occupy the same adjoining premises. The legislation required that rates for lines or trunks being shared or resold be on a measured basis where available or otherwise on a message basis.

The Commission order adopting procedures requires all telephone companies to charge rates to resellers which are 80% of the comparable flat rate, plus five cents per initial minute and two cents for each additional minute with a 50% off-peak discount. The alternative message rates are 80% of the comparable flat rate, plus 12¢ per message. Entities which provide service exclusively to the exception group, as identified by the Legislature, are exempted from the measured or message rates as long as they only share service.

Cocots

In 1988, the Commission issued 130 special certificates authorizing the sale of public telephone access service to end-users bringing the total number of special certificates issued to 395. Anyone can own and operate a coin operated telephone (COCOTS).

Due to some COCOT service providers routing telephone calls to uncertified long distance carriers which overcharged for their service, the Commission required the local exchange telephone companies (LECs) to cease and desist from providing billing and collection services to any uncertified interexchange carrier (IXC).

Deregulation of Customer Premises Equipment

All telephone terminal equipment was deregulated in North Carolina on January 1, 1988. This action followed the implementation of the Utility Commission's Deregulation plan which was certified by the Federal Communication Commission (FCC) in late 1985. The plan required all local exchange companies (LEC's) to deregulate their embedded customer premises equipment (CPE) on December 31, 1987 and transfer their embedded investments to deregulated operations at the higher of net book or economic value.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had a total of 2,985,528 access lines in service as of December 31, 1988. This is an increase of 3.9% from 1987 with 2,866,727 access lines. Figure No. 6-1 shows total telephones by companies for the years 1960, 1965, 1970, 1980 and 1981. Figure No. 6-2 shows access lines for the years 1987 and 1988. In 1982, the telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines. For a defintion of access line see Figure No. 6-3. In 1988, Southern Bell Telephone and Telegraph Company continued to serve 50% and Carolina Telephone and Telegraph continued to serve 25% of the total customers in North Carolina.

The installation of additional access lines required additional investment. For example, in installing an additional access line, provisions

must be made for central office equipment, circuits, and lines to accommodate the traffic potential of the installation. The telephone companies generally attempt to engineer for a five to seven-year growth period in outside cable plant facilities and for a one to two-year growth period in central office equipment. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances increased volume can mean less net earnings where the unit cost of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per line. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differentials where a subscriber who had been receiving four-party service asks for and receives one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS AND QUALITY OF SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for service. However, as more and more telephone service is extended throughout the State, the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service. In 1988, the Commission decided to establish uniform quality of service objectives to be used in evaluating the adequacy of the service being provided by the telephone companies. In 1988 the Public Staff made on-sight investigations of eight telephone exchanges to evaluate the overall quality of service being provided. The Commission included those findings in the Commission's Rules and Regulations which are used in evaluating the adequacy of service provided by telephone companies in North Carolina.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied. There were four (4) requests approved for two (2) companies in 1988 and twelve (12) requests approved for five (5) companies in 1989.

In addition to the EAS requests, four (4) requests for area transfers were investigated in 1988 in addition to one (1) boundary change investigation remaining active from 1987. Two (2) of these five (5) requests were approved by the Commission in 1988.

E. TELEPHONE RATES--COMMENTS

Local Exchange Rates

These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a companywide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may call without toll charge. These rate groupings are not standard among the companies. Figure No. 6-4 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus unlike

electric and natural gas utilities which have standard rates applicable to a customer classification company wide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 6-5 shows a ten-year history of average North Carolina telephone bills for local service.

Toll Charges

Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll-free) service. IntraLATA toll rates in North Carolina are uniform throughout the state. See Figure No. 6-6 for IntraLATA rates as of January 1, 1990.

Two- and Four-Party Service

Two-party and four-party service is still offered by the following six companies: Alltel-Carolina, Inc., Carolina Telephone and Telegraph Company, Concord Telephone Company, Contel of North Carolina, Inc., Saluda Mountain Telephone Company and Southern Bell. Two-party and four-party service in North Carolina was .37% and .22% of total lines, respectively, in 1988 as compared to .44% and .02% in 1989.

Service Charges

These are the charges made for installing or rearranging access lines. These charges have been increased for some companies in the past few years mostly in rate case proceedings to make them more cost-related. Charges for inside wiring, jack, and equipment work were deregulated on January 1, 1987. Figure No. 6-7 shows some typical charges by selected companies for various services relating to installing an access line.

Special Charges

Certain special equipment requires special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

In 1988, no general rate increases were filed during the year by a communications utility.

G. 1986 TAX REFORM ACT

In 1988, there was more than $23 million dollars refunded to customers due to the Tax Reform Act of 1986 (TR-86). In addition to these customer refunds, monthly phone bills were also decreased for a state-wide total of more than $49 million.

H. WESTERN UNION OFFICES

The Western Union Telegraph Company (Western Union), organized in New York in 1851, is the principal subsidiary of Western Union Corporation. Western Union has developed and provides a wide range of communications and related services including network services through Telex I and Telex II, private communications, information handling systems to the government and to industry, money transfer services, and other services such as maintenance under contracts with customers who own or lease terminals and other communications related equipment.

In recent years as large businesses made growing use of their telex and TWX terminal capability for originating telegrams, and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for independent offices and branches owned by Western Union steadily declined in the United States and in North Carolina. For example, there were 860 such offices in 1971 nationwide and 25 in North Caro-

lina, and in 1988 they had declined to 5 and 0 respectively. Less than 10% of public message traffic is accepted over the counter, and most of that traffic is money order business.

The number of agency or commission offices have remained fairly constant. They are most often small "mom and pop" operations by persons other than employees of Western Union. In 1971 there were 6,913 of these type operators nationwide and 249 in North Carolina.

The following illustrates the number of Western Union offices in the United States and in North Carolina for 1987 and 1988:

	United States		North Carolina	
	1987	1988	1987	1988
Independent Offices & Branches	5	5	0	0
Joint Offices	0	0	0	0
Agency or Commission Offices	10,753	12,468	330	394
Total	10,758	12,473	330	394

Due to the passage of the Record Carrier Competition Act of 1981 (P.L.97-130), the Utilities Commission no longer regulates the intrastate record services of the Western Union Telegraph Company.

I. RADIO COMMON CARRIERS

There were ten Radio Common Carriers (RCCs) certified to operate in North Carolina at the end of 1989. These RCCs provide two-way mobile telephone service and one-way radio paging service to approximately 15,000 units within the State. The services offered by RCCs generally include automatic dial as well as manual operation for mobile units and pagers. Interconnection with the landline telephone network is provided in order to permit direct communications between landline telephones and RCC mobile/paging units.

The growth of RCC two-way mobile units has been hampered by the limited number of VHF radio channels available from the Federal Communications Commission (FCC). While the demand for RCC service has been increasing in the metropolitan areas, the limited number of radio channels has restricted the number of subscribers an RCC could serve and still maintain an acceptable quality of service. It is anticipated that most future mobile telephone growth will have to be met through the use of higher frequency channels in the 450 MHz or 900 MHz bands.

There have been no general rate increases for radio common carriers since 1982.

J. CELLULAR RADIO TECHNOLOGY

Cellular radio technology has greatly enhanced and improved two-way radio service. Under the "cellular mobile radio service" technology, the number of radio base stations is expanded so that as a two-way mobile radio subscriber moves through the service area, his call is automatically and instantly "handed off" from one base station to another so that a subscriber may originate and terminate calls from any point within the service area. Two or more callers can share the facilities simultaneously. Central switching equipment automatically routes calls through interconnection with the landline telephone network so that mobile-to-land calls can be completed as well as mobile-to-mobile calls. Unlike the conventional two-way calling now offered by most of the mobile radio common carriers in their franchised areas, the "cellular mobile radio" system has a built-in capacity to expand as public demand increases with a grade of service comparable to landline telephone service.

The Federal Communications Commission allocates frequencies, grants facility construction permits, and grants licenses for facilities used in

one-way and two-way mobile radio systems. The FCC has identified numerous markets (Cellular Geographic Service Area [CGSA]) nationwide in which the public demand and need will justify cellular enhancement. Accordingly the FCC has allocated two 20 MHz groups to each market. Initially one license will be available to a wireline carrier and one license to a nonwireline carrier in each market area. There have been nineteen cellular telephone companies issued certificates since the first companies applied in 1984. The nineteen companies include twelve wholesalers/resellers, one wholesaler, and six resellers.

K. SOURCE AND DISPOSITION OF REVENUES--COMMENTS

The telephone companies derived about 29.5% of their revenues from local charges, 35.4% from toll charges, 26.4% from access charges, and 8.7% from miscellaneous services in 1988 compared to 30.7%, 37.2%, 26.7%, and 5.4% in 1987.

The components of the disposition of the revenue dollar as shown in Figure No. 6-9 indicate that for the year 1988 compared to 1987 depreciation, retained earnings and operating expenses increased while all other disposition components decreased.

L. PLANT INVESTMENTS--COMMENTS

The regulated telephone companies increased gross plant investment in North Carolina 8.8% in 1984, 2.4% in 1985, 6.3% in 1986, 9.1% in 1987 and 9.1% in 1988. These increases represent investments of $383 million in 1984, $114 million in 1985, $307 million in 1986, $470 million in 1987, and $566 million in 1988 bringing the total gross plant investment at December 31, 1988, to $6,213,388.

Figure No. 6-10 shows investment per access line for 1987 and 1988 on a North Carolina industrywide basis. Figure No. 6-11 shows investment per telephone for the regulated telephone companies for the years 1960, 1965, 1970, 1975, 1980 and 1981. Figure No. 6-12 shows the investment per access line as of December 31, 1987, and 1988. The information shown on Figure No. 6-12 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

M. STATISTICAL SUMMARY DATA

Total operating revenues of the telephone companies increased in 1988 over 1987 by a total of 4.1%. Operating expenses including taxes increased 3.9% and net operating income increased 5.0% for the same period. The average annual wage per telephone employee was $33,264 in 1988, a 5.9% increase over the previous year. Total salaries and wages paid by the telephone companies were nearly $558 million in 1988. The total average number of employees increased in 1988 over 1987 to 16,772 employees. A detailed account of these and other selected items is shown in Figure No. 6-13.

FIGURE NO. 6-1A

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975, 1980, & 1981

Class A & B	Number of Total Telephones in Service						Number of Exchange				Number Phones Per 100 Population		Number Phones Per Square Mile Area		% Household in Area Served Housing Phones		Average Number Employees Per Company	
	1960	1965	1970	1975	1980	1981	1965	1970	1975	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981
Carolina Tel & Tel Co[1, 8]	244,716	348,295	527,190	779,464	982,532	910,456	137	143	146	146	145	56	53	50	48	88	89	5,511	5,420
Central Telephone Co[2]	74,072	101,508	142,461	191,600	241,587	232,384	39	35	43	43	43	54	52	77	74	89	87	1,132	1,107
Citizens Telephone Co	3,462	5,919	8,704	12,133	15,868	16,530	3	3	4	4	4	71	73	42	44	94	95	72	65
Concord Telephone Co	34,992	44,308	56,365	72,353	93,740	97,382	9	9	9	9	9	67	68	133	138	96	96	334	336
Continental Tel of N C	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ellerbe Telephone Co	574	743	1,084	1,535	2,003	2,088	1	1	1	1	1	48	50	8	8	85	85	8	8
General Tel Co of the Southeast[3]	43,943	65,363	97,469	124,839	162,054	167,473	5	5	5	5	5	66	64	203	198	91	91	1,720	1,734
Hems Telephone Co	8,284	11,267	15,825	22,130	30,087	31,263	3	3	3	3	3	66	65	64	67	95	96	165	162
Lexington Telephone Co	9,049	12,036	17,082	22,248	28,825	29,873	3	3	3	3	3	59	61	139	144	90	N/A	173	173
Mebane Home Telephone Co	1,903	2,571	3,665	5,502	6,877	7,060	1	1	1	1	1	40	40	46	46	75	75	22	22
Mid-Carolina Telephone Co[4]	21,830	33,016	51,810	77,742	108,747	113,738	24	26	26	26	26	36	38	49	52	89	90	311	313
North State Telephone Co	37,221	48,237	64,862	86,473	113,740	114,752	3	3	3	3	3	52	74	193	200	87	92	476	476
Pineville Telephone Co[6]	—	—	—	—	2,177	2,185	—	—	—	1	1	109	109	2,177	22	98	98	14	12
Randolph Telephone Co	1,026	1,388	2,104	2,847	3,773	3,795	1	1	1	1	1	53	53	46	46	89	95	15	14
Sandhill Telephone Co	1,341	1,743	2,526	3,624	5,225	5,381	2	2	2	2	2	73	74	100	103	95	97	12	12
Southern Bell Tel & Tel Co[5]	670,413	889,520	1,253,681	1,763,783	2,246,942	2,285,163	92	93	94	95	95	83	80	186	189	87	87	11,254	11,400
Westco Telephone Co	—	n.a.	16,881	24,045	34,019	34,399	13	15	15	15	15	36	36	16	17	76	76	—	—
Western Carolina Tel Co[7]	16,216	15,480	27,496	42,181	57,578	57,771	13	12	12	11	11	35	35	32	32	80	82	449	449
Totals Class A & B	1,169,042	1,587,192	2,289,005	3,233,099	4,135,884	4,111,702	349	356	368	369	368	67*	66*	93*	93*	88**	89**	21,668	21,703
Barnardsville Telephone Co	186	293	354	613	876	911	1	1	1	1	1	44	46	7	7	85	85	3	3
Continental Tel Co of Virginia	42	48	184	339	452	465	1	1	1	1	1	35	35	30	31	60	61	N/A	N/A
Saluda Mountain Tel Co	290	373	520	833	1,320	1,365	1	1	1	1	1	68	68	19	19	85	85	3	5
Service Telephone Co	357	468	600	915	1,461	1,494	1	1	1	1	1	58	60	42	43	80	80	4	4
Totals Class C & D	885	1,182	1,658	2,700	4,109	4,235	4	4	4	4	4	53*	54*	17*	17*	78**	77**	10	12
Grand Totals	1,169,927	1,588,374	2,290,663	3,235,799	4,139,993	4,115,937	353	359	372	373	372	67*	66*	93*	93*	86**	83**	21,678	21,715
United States Totals[9]	77,813,000	93,658,000	120,783,300	148,623,000	180,180.00	181,561,000													
Special Service & Private Lines	22,903	27,216	28,752	41,556	36,753	43,602													

[1]United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United for the period 1980-1978 are included in Carolina.

[2]Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3]General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4]Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina.

[5]Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for 1976 and prior years are included in Southern Bell.

[6]Pineville Telephone Company came under Commission jurisdiction January 1, 1976. (Docket No. P-120, Sub 1)

[7]Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8]Norfolk & Carolina Tel & Tel Co. merged into Carolina Tel & Tel Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel & Tel Co.

[9]Reference: Independent Telephone Statistics, U.S. Independent Telephone Association.

*Weighted Average
**Simple Average

FIGURE NO. 6-2

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL ACCESS LINES, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1987 AND 1988

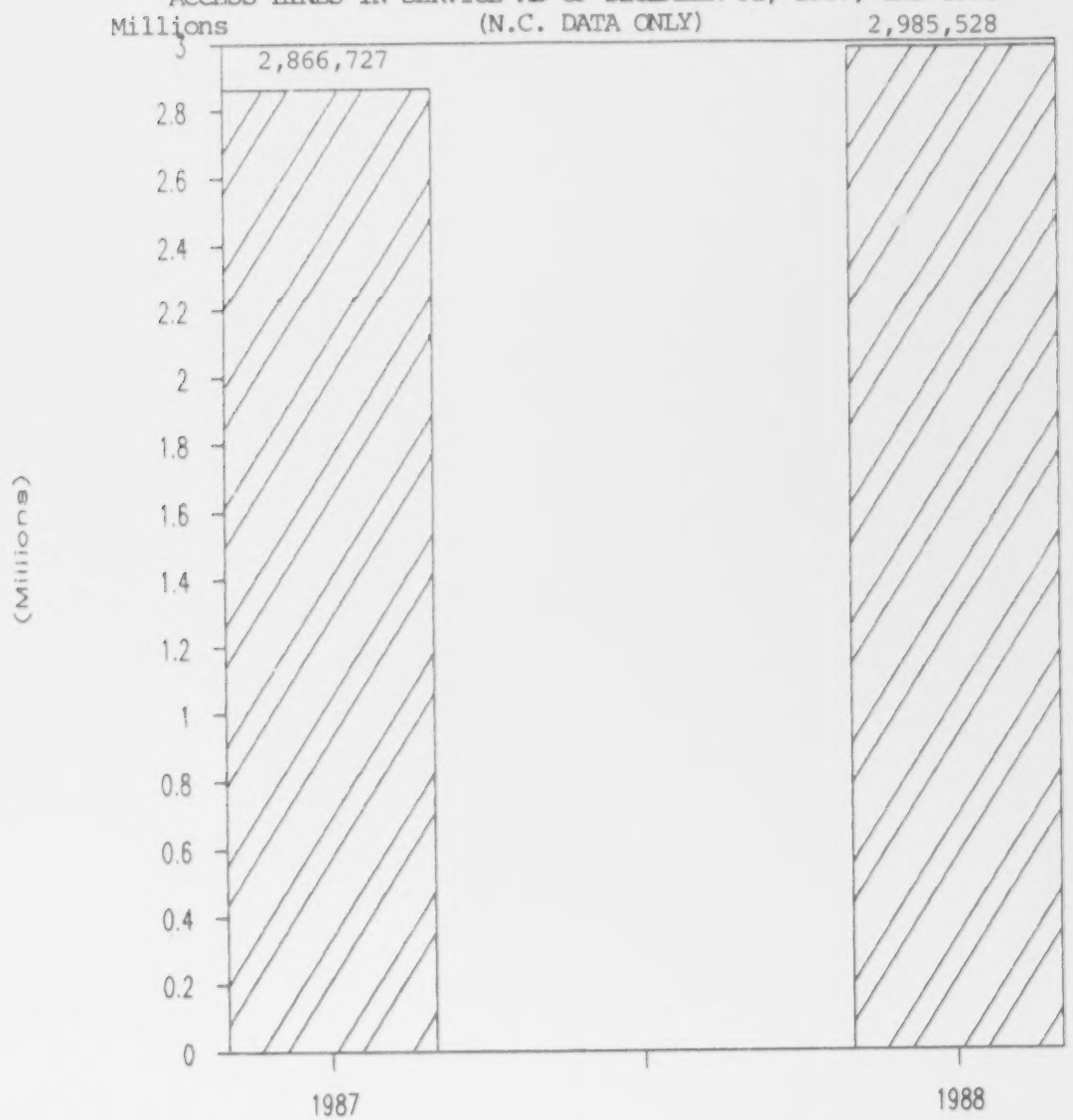
Telephone companies	Number of Access Lines		% Change	No. Access Lines Per 100 Population		No. Access Lines Per Square Mile Area		% Households in Area Served Having Phones		Average Number of Employees Per Company	
Class A & B	1987	1988	1988-1987	1987	1988	1987	1988	1987	1988	1987	1988
ALLTEL Carolina Tel. Co.	84,807	90,184	6.3	28	29	46	47	N/A	N/A	326	324
Carolina Telephone & Telegraph Co.	712,869	746,936	4.8	39	40	37	39	90	91	3,906	3,951
Central Telephone Co.	182,141	189,029	3.8	34	37	58	60	85	71	745	814
Citizens Telephone Co.	12,487	13,028	4.3	43	43	33	34	95	95	94	90
Concord Telephone Co.	70,216	72,465	3.2	45	45	100	101	97	97	310	288
Contel of North Carolina, Inc.	80,380	83,783	4.2	N/A	38	N/A	21	N/A	87	N/A	365
Ellerbe Telephone Co.	1,574	1,641	4.3	36	37	6	6	88	89	11	11
GTE South, Inc.	119,760	121,093	1.1	55	65	151	165	90	92	2,412	2,408
Heins Telephone Co.	22,268	22,998	3.3	36	36	49	50	92	N/A	119	86
Lexington Telephone Co.	22,496	23,734	5.5	45	48	108	114	90	92	142	138
Mebane Home Telephone Co.	5,603	5,828	4.0	51	53	37	39	95	95	27	29
North State Telephone Co.	81,278	84,433	3.9	49	50	141	147	92	94	433	418
Pineville Telephone Co.	1,222	1,346	10.1	41	54	1,222	1,346	97	97	12	13
Randolph Telephone Co.	2,952	3,077	4.2	39	41	36	26	91	91	13	14
Sandhill Telephone Co.	3,611	3,804	5.3	27	28	42	46	N/A	N/A	8	8
Southern Bell Tel. & Tel. Co.	1,459,694	1,518,713	4.0	46	49	121	131	90	90	7,310	7,085
Totals: Class A & B	2,863,358	2,982,092	4.1	44*	43*	72*	67*	92	91	15,868	16,042
Class C & D											
Barnardsville Telephone Co.	823	872	6.0	29	29	8	8	85	85	4	4
Contel of Virginia, Inc.	425	451	6.1	N/A	32	N/A	17	N/A	93	N/A	N/A
Saluda Mountain Tel. Co.	1,175	1,146	(2.5)	49	49	18	17	90	90	5	7
Service Telephone Co.	946	967	2.2	38	38	24	24	83	83	4	3
Totals: Class C & D	3,369	3,436	2.0	33*	51*	13*	21*	86	88	13	14
Grand Totals	2,866,727	2,985,528	4.1	43*	43*	69*	67*	89	89	15,881	16,056
United States Totals**	26,481,000	28,557,000	7.8								
North Carolina as % of United States Total	10.8%	10.5%									

* Weighted Average; All other averages are Simple Averages.

** United States totals from USTA Telephone Statistics Volume 1, 1988 Edition. Information from 1,360 independent Class A telephone companies in 1987 and 1,349 companies in 1988.

FIGURE NO. 6-3

ACCESS LINES IN SERVICE AS OF DECEMBER 31, 1987, and 1988
(N.C. DATA ONLY)



Access Line - A telephone company facility which allows access to and/or from the exchange network. Access line includes the following categories for service: individual line, two-and four-party service, key trunk, rotary line, PBX trunk, centrex trunk, 800 service and outwats (interstate and intrastate), L.D. trunk (toll terminal), foreign exchange, semipublic, public, mobile telephone, and service station (farmer line). The total number of access lines in service at December 31, 1987 was 2,866,727 compared to 2,985,528 access lines at December 31, 1988.

FIGURE 6-4

TELEPHONE RATES
MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE
AS OF JANUARY 1, 1990

CALLING SCOPE AND RELATED MONTHLY FLAT RATES (a)

	1-1,000		1,001-1,400		1,401-2,000		2,001-2,800		2,801-4,000		4,001-5,600		5,601-8,000		8,001-11,200	
	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Class A & B:																
ALLTEL Carolina Telephone Company									$33.17	$13.21	$35.01	$13.94	$35.43	$14.11	$36.16	$14.40
Carolina Telephone & Telegraph Company	$14.29	$5.84	$14.83	$6.11	$15.41	$6.33	$16.08	$6.60	$16.70	$6.86	$17.14	$7.04	$17.72	$7.31	$18.29	$7.53
Central Telephone Company	$18.86	$7.16	$19.33	$7.35	$19.79	$7.53	$20.24	$7.71	$20.71	$7.90	$21.16	$8.07	$21.63	$8.27	$22.08	$8.45
Contel of North Carolina, Inc. (b)									$40.90	$16.04			$41.89	$16.37		
Southern Bell Telephone Company													$26.81	$9.94		
Class C & D:																
Service Telephone Company			$16.64	$6.64												

	11,201-16,000		16,001-22,400		22,401-32,000		32,001-44,800		44,801-64,000		64,001-89,600		89,601-up	
	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Class A & B:														
Alltel Carolina Telephone Company					$37.06	$14.76							$37.98	$15.12 (c)
Carolina Telephone Company	$18.88	$7.75	$19.46	$8.03	$20.04	$8.25	$20.61	$8.51	$21.19	$8.73	$21.77	$9.00	$22.44	$9.27
Central Telephone Company	$22.55	$8.63	$23.00	$8.82	$23.47	$9.00	$23.92	$9.19	$24.38	$9.37	$24.84	$9.55	$25.30	$9.74
Citizens Telephone Company	$24.46	$9.56												
Concord Telephone Company (d)			$18.14	$6.77	$18.73	$7.08	$19.35	$7.34	$21.60	$7.92	$23.75	$8.55		
Contel of North Carolina , Inc. (b)	$42.88	$16.79			$43.88	$17.21	$45.51	$17.83						
Ellerbe Telephone Company	$19.79	$10.07							$29.62	$11.84			$31.65	$12.65 (e)
GTE South, Inc.													33.72	13.48 (f)
Heins Telephone Company					$15.99	$6.33								
Lexington Telephone Company					$17.61	$7.04								
Mebane Home Telephone Company									$21.70	$8.25				
North State Telephone Company (g)			$5.81	$2.56							$8.58	$3.72		
Pineville Telephone Company													$9.25	$4.20
Randolph Telephone Company													$20.72	$8.05
Sandhill Telephone Company (h)	$8.57	$4.51	$11.56	$5.33										
Southern Bell Telephone Company	$27.50	$10.20	$28.22	$10.47	$28.84	$10.72	$29.58	$11.03	$30.42	$11.34	$31.15	$11.66	$31.91	$11.92 (i)
													$32.83	$12.19 (j)
													$33.89	$12.51 (k)
Class C & D:														
Barnardsville Telephone Company											$24.26	$18.26		
Contel of Virginia, Inc.													$22.34	$12.38
Saluda Mountain Telephone Company							$8.21	$5.39						

(a) "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.
(b) The rate groupings for Contel of North Carolina, Inc. are 0-4,000, 4,001-8,000, 8,001-16,000, 16,001-32,000, and 32,001-up.
(c) This rate is for the group 30,000-150,000.
(d) The rate groupings for Concord Tel. Co. are Less than 25,000, 25,001-35,000, 35,001-45,000, 45,001-55,000 and 55,001-up.
(e) This rate is for the Durham Exchange Area.
(f) This rate is for the Creedmor Exchange Area.
(g) The first rate grouping for North State Tel. Co. is for the Randleman Exchange Area 0-2,300. The second rate grouping for North State Tel. Co. is for the High Point/Thomasville Exchange Area 0-66,000.
(h) Sandhill Tel. Co. rates are grouped 0-20,000 and 20,001-up.
(i) This rate is for the group 80,000-110,000.
(j) This rate for Southern Bell is for the group 110,001-150,000.
(k) This rate for Southern Bell is for the group 150,001-up.

FIGURE NO. 6-5

NORTH CAROLINA TELEPHONE RATES VS. U.S. AVERAGE MONTHLY TELEPHONE RATES

At December 31	North Carolina Average Monthly Telephone Bills For All Customers Local Telephone Service(a)	U.S. Average Monthly Telephone Bills For All Customers Local Telephone Service (b)
1977	$17.19	$18.29
1978	$17.89	$19.22
1979	$18.01	$20.09
1980	$19.78	$21.58
1981 (c)	$22.41	$24.70
1977-1981 % Change	30.4	35.0
1982	$24.40	$26.79
1983	$25.48	$27.40
1984	$22.37 (d)	$23.22
1985	$22.25	$23.81
1986 (e)	$22.30	$24.23
1987	$21.94	$23.45
1988	$21.07	$23.02
1982-1988 % Change	(13.6)	(14.1)
1987-1988 % Change	(4.0)	(1.8)

(a) Average local service revenue per access line.
(b) This number was calculated with information obtained from Moody's Public Utility Manual and the United States Telephone Association Telephone Statistics Book for 1985 and previous years. The United Sttes Telephone Association Telephone Statistics Books were used to calculate 1986-1988.
(c) For the years 1977-1979, the total number of residential and business main lines for the 13 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1980-1981, 12 of the largest telephone companies were used to calculate this figure.
(d) As a result of the divestiture, the lease revenue from nonregulated terminal equipment was not included in local service revenues for 1984-1988.
(e) For the years 1982-1983, the total number of residential and business access lines of the 11 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1984-1988, 12 of the largest telephone companies were used.

FIGURE NO. 6-6

NORTH CAROLINA INTRASTATE/INTRALATA TELEPHONE TOLL RATES
IN EFFECT JANUARY 1, 1990

RATE MILEAGE	DAY	
	INITIAL 1 MINUTE	EACH ADDITIONAL MINUTE
0-10	$ .16	$ .10
11-16	.20	.14
17-22	.23	.16
23-30	.27	.19
31-40	.37	.23
41-55	.45	.28
56-70	.45	.28
71-124	.47	.33
125-196	.51	.35
197-292	.51	.35

Additional Charges

The following charges are in addition to the Basic Rate Table above when the call is placed using the following operator services:

	Charge Per Call
a. STATION	
(a) Customer Dialed Credit Card	$ .50
(b) All other	1.25
b. PERSON	
(a) All calls	$2.50

Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM to 12:00 Noon	Day Rate Period — FULL RATE						
12:00 Noon to 1:00 PM	Daytime Savings Rate Period — 25% Discount						
1:00 PM to 5:00 PM	Day Rate Period — FULL RATE						
5:00 PM to 11:00 PM	Evening Rate Period — 25% Discount						Eve. 25%
11:00 PM to 8:00 AM	Night & Weekend Rate Period — 50% Discount						

DISCOUNTS
Discounts apply equally to total charges for all messages with total fractional amounts rounded down to the lower cent. Discounts do not apply to add on charges for Customer Dialed Credit Card, Other Operator Station or Person Charges

FIGURE NO. 6-7

CHARGES FOR VARIOUS TELEPHONE INSTALLATION SERVICES
IN EFFECT JANUARY 1, 1990

	Carolina		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$18.26	$22.97	$15.93	24.38	$27.50	$41.25
Premises Visit	5.92	9.23	7.58	7.58	10.25	10.25
Central Office Work	5.10	5.34	7.28	7.96	15.25	21.25
Totals (1)	$29.28	$37.54	$30.79	$39.92	$53.00	$72.75

	Heins		Ellerbe		Contel of N.C., Inc.	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$21.00	$25.00	$11.66	$13.60	$22.33	$22.33
Premises Visit	10.00	11.00	4.86	5.83	6.80	6.80
Central Office Work	7.00	8.00	2.91	2.91	21.36	21.36
Totals (1)	$38.00	$44.00	$19.43	$22.34	$50.49	$50.49

(1) These are typical charges made for the installation of one main station at a new location.

FIGURE NO. 6-9

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY

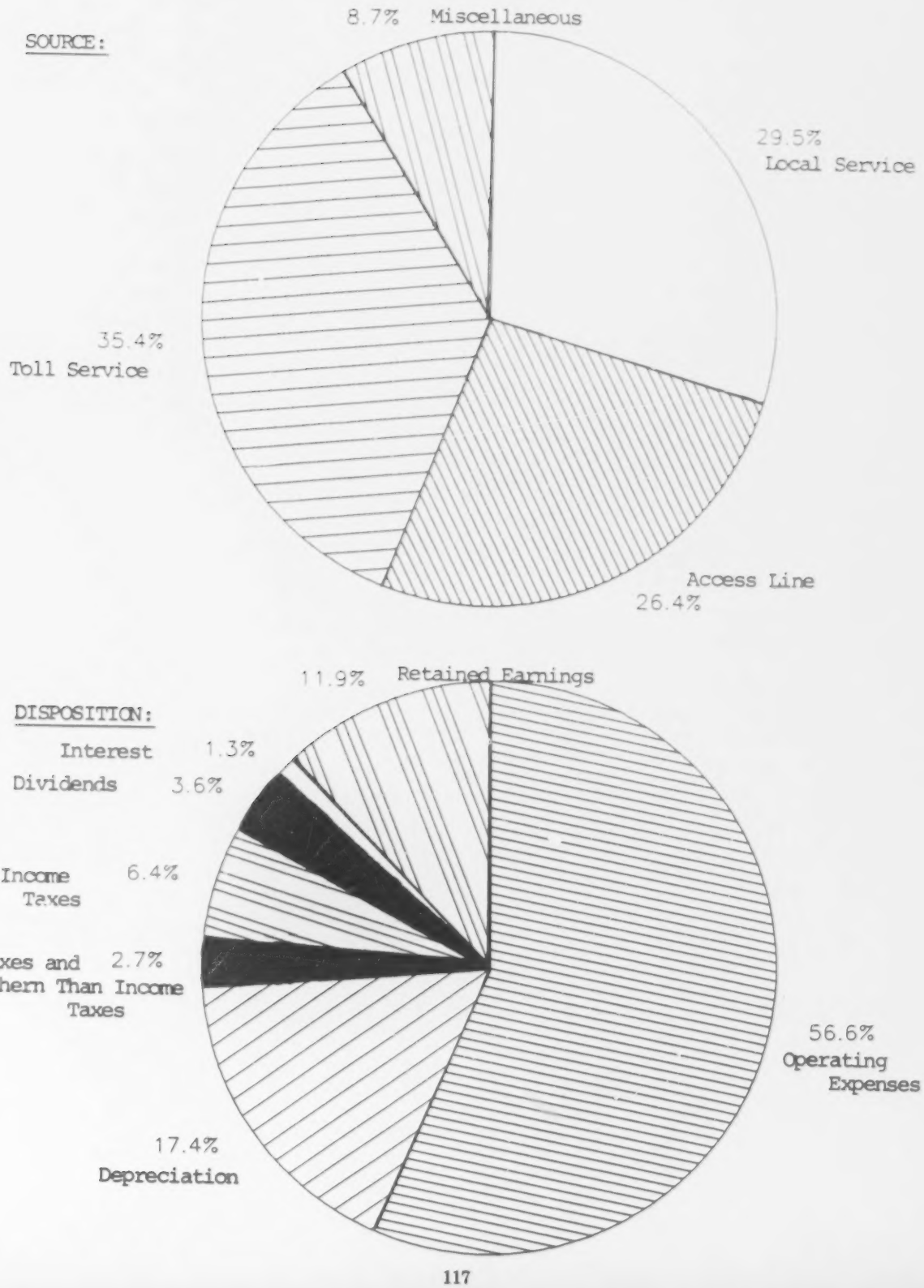


FIGURE NO. 6-10

TELEPHONE COMPANIES' PLANT INVESTMENT PER
ACCESS LINE WITH PERCENT INCREASE 1988 OVER 1987
(N.C. DATA ONLY)

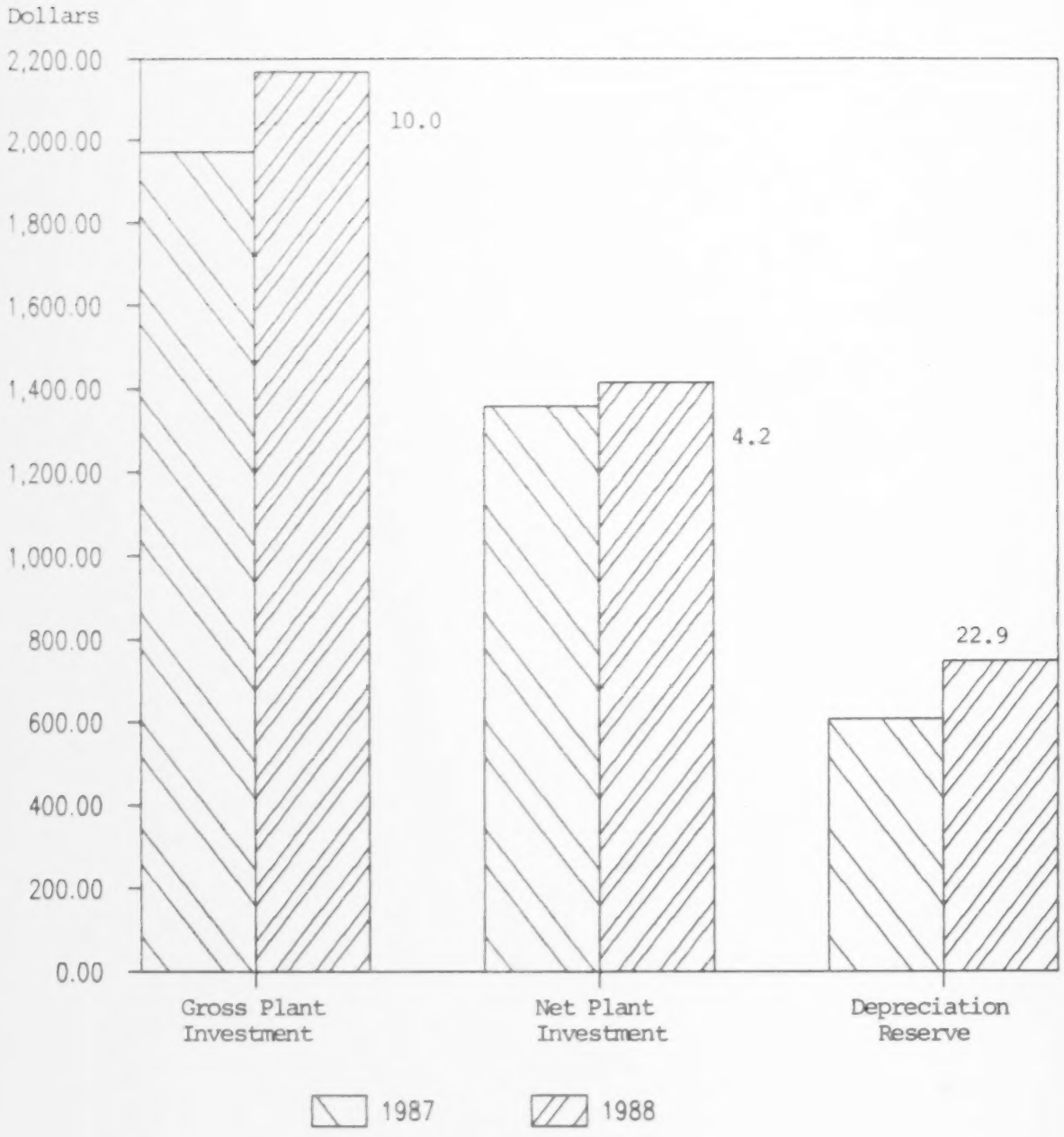


FIGURE NO. 8-11

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1980, and 1981

Class A & B	1960 Per Phone Gross	1960 Per Phone Net	1965 Per Phone Gross	1965 Per Phone Net	1970 Per Phone Gross	1970 Per Phone Net	1975 Per Phone Gross	1975 Per Phone Net	1980 Per Phone Gross	1980 Per Phone Net	1981 Per Phone Gross	1981 Per Phone Net	1980 ($000s) Total Plant Gross	1980 ($000s) Total Plant Net	1981 ($000s) Total Plant Gross	1981 ($000s) Total Plant Net	1981 vs 1980 % Change Per Phone Gross	1981 vs 1980 % Change Per Phone Net
Carolina Tel & Tel Co[1]	$ 513 52	$ 396 01	$ 556 81	$ 413 31	$ 680 30	$ 525 46	$ 820 89	$ 625 35	$ 971 34	$ 707 28	$ 1,080 72	$ 771 60	$ 924,468	$ 673,143	$ 983,949	$ 702,507	6 4	4 4
Central Telephone Co[2]	316 53	260 38	390 58	327 98	522 00	435 31	762 60	637 96	887 27	715 66	957 67	738 27	214,335	172,879	222 548	171,793	7 8	6
Citizens Telephone Co	329 67	266 91	571 56	504 86	776 13	635 82	892 07	655 20	1,085 12	743 15	1,164 10	809 22	17,327	11,866	19,243	13,376	11 1	12 7
Concord Telephone Co	257 23	202 84	334 96	256 36	423 13	308 78	545 97	395 38	616 70	409 80	614 99	395 79	57,810	38,415	59,889	38,541	3 6	3
Ellerbe Telephone Co	255 54	172 57	298 47	175 20	692 04	558 44	734 83	536 56	1,925 22	749 35	933 09	679 44	2,053	1,501	2,074	1,419	1 0	(5 5)
General Tel Co of the Southeast[3]	267 08	203 13	373 86	291 40	739 30	624 61	852 47	691 42	1,018 63	797 86	1,058 80	808 98	164,926	129,184	177,329	135,482	7 5	4 9
Hewis Telephone Co	288 50	234 78	493 96	423 84	481 92	372 04	732 37	571 79	787 01	545 17	813 35	549 54	23,679	16,403	25,428	17,180	7 4	4 7
Lexington Telephone Co	296 82	219 02	364 05	256 03	533 56	408 36	629 94	485 22	722 19	507 36	735 99	504 07	20,817	14,625	21,987	15,058	5 6	3 0
Mebane Home Telephone Co	312 66	249 08	512 68	404 24	693 07	510 94	840 11	601 54	980 33	657 50	931 09	583 95	6,742	4,522	6,403	4,084	(5 0)	(9 7)
Mid Carolina Telephone Co[4]	408 29	336 82	498 84	387 07	620 06	495 86	680 98	515 00	793 61	602 88	822 70	642 94	86,302	65,561	93,590	73,138	8 4	11 6
North State Telephone Co	246 17	174 57	320 64	224 04	394 86	272 55	470 66	317 94	567 03	390 08	594 47	384 40	62,908	40,946	68,217	44,110	8 4	7 7
Pineville Telephone Co[5]	—	—	—	—	—	—	—	—	715 93	532 33	795 29	579 00	1,568	1,150	1,738	1,265	11 6	9 1
Randolph Telephone Co	381 87	339 86	694 71	580 75	824 88	654 17	796 77	582 67	889 53	576 86	890 31	567 88	3,281	2,178	3,379	2,155	3 0	(1 6)
Sandhill Telephone Co	307 32	227 47	445 62	323 25	586 88	400 88	622 20	367 70	702 82	424 65	982 36	669 20	3,672	2,219	5,178	3,600	41 0	62 0
Southern Bell Tel & Tel Co[6]	364 67	294 08	419 57	330 63	507 07	396 48	688 37	427 29	879 25	726 89	923 75	763 52	1,972,750	1,630,868	2,111,017	1,744,761	7 0	7 0
Westco Telephone Co[7]	N/A	N/A	689 80	586 70	829 30	731 61	991 65	843 52	1,220 66	951 30	1,262 90	968 30	41,526	32,382	43,432	33,308	4 6	2 9
Western Carolina Tel Co[8]	451 24	360 17	542 67	411 53	831 06	728 98	1,047 94	926 71	1,212 89	986 66	1,301 59	1,110 84	69,824	55,658	75,194	64,174	7 7	15 3
Totals Class A & B	$ 375 91	$ 298 32	$ 442 36	$ 343 77	$ 561 60	$ 441 40	$ 722 32	$ 576 20	$ 998 34	$ 705 92	$ 953 58	$ 745 70	$ 3,673,986	$ 2,893,487	$ 3,920,588	$ 3,065,951	6 7	6 0
Class C & D																		
Barnardsville Telephone Co	$ 236 55	$ 191 39	$ 197 81	$ 139 07	$ 286 02	$ 167 45	$ 322 13	$ 226 67	$ 1,016 38	$ 925 34	$ 1,008 27	$ 896 24	$ 890	$ 811	$ 916	$ 816	2 9	6
Continental Tel Co of Virginia	328 02	200 29	1,353 02	1,157 81	870 64	724 34	946 89	764 08	1,071 37	881 80	1,098 63	871 77	484	398	510	405	5 4	1 8
Saluda Mountain Tel Co	N/A	N/A	79 42	29 31	284 57	199 14	401 96	302 68	413 17	274 38	437 64	278 61	546	362	567	380	9 3	5 0
Service Telephone Co	342 67	302 13	317 18	231 85	417 71	301 35	955 67	811 33	724 21	536 56	709 93	525 23	1,058	784	1,080	785	2	1
Totals Class C & D	$ 217 72	$ 183 74	$ 265 67	$ 190 43	$ 393 83	$ 287 65	$ 639 90	$ 515 73	$ 724 76	$ 573 18	$ 728 58	$ 563 80	$ 2,978	$ 2,355	$ 3,083	$ 2,386	3 6	1 3
Grand Totals	$ 375 77	$ 298 22	$ 442 23	$ 343 65	$ 561 47	$ 441 38	$ 722 25	$ 576 15	$ 998 17	$ 705 79	$ 953 33	$ 745 51	$ 3,676,964	$ 2,895,842	$ 3,923,689	$ 3,068,337	6 7	6 0

[1]United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United Telephone Company of the Carolinas, Inc., for the period 1960-1978 are included in Carolina Telephone and Telegraph Company.

[2]Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1975 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3]General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4]Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968, and Denton Telephone Company merged with North Carolina Telephone Company in 1970. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company for years prior to 1974. Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina Telephone Company.

[5]Pineville Telephone Company came under Commission jurisdiction January 1, 1976.

[6]Chapel Hill Telephone Company came under Commission jurisdiction January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977. All figures for Chapel Hill Telephone Company for 1976 and prior years are included in Southern Bell.

[7]Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8]Norfolk & Carolina Tel & Tel Co. merged into Carolina Tel & Tel Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel & Tel Co.

[9]Westco Telephone Co. and Western Carolina Tel Co. were merged into Continental Telephone of North Carolina in November 1982.

N/A – Not Available

NOTE: Per phone data for all years shown is based on number of regular telephones (excluding service and private) in service at end of year.

FIGURE NO. 6-12

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS*
For the Years Ended December 31, 1987 and 1988
(Dollars in Thousands)

COMPANY	1987 Total Plant		1988 Total Plant		1987 Per Access Line		1988 Per Access Line		1988 vs 1987 % Change per Access Line	
Class A & B	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
ALLTEL Carolina Tel. Co.	$148,883	$108,168	$154,279	$117,568	$1,755.55	$1,275.46	$1,710.71	$1,303.65	(2.6)	2.2
AT&T Communications, Inc.	321,204	217,670	637,719	227,922	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.
Carolina Telephone & Telegraph Company	1,193,299	758,286	1,245,832	797,612	1,673.94	1,063.71	1,667.92	1,067.85	(0.4)	0.4
Central Telephone Co.	264,377	182,970	285,573	194,032	1,451.50	1,004.55	1,510.74	1,026.47	4.1	2.2
Citizens Telephone Co.	31,107	21,981	32,113	24,349	2,491.15	1,760.31	2,464.92	1,868.97	(1.1)	6.2
Concord Telephone Co.	80,007	46,156	75,507	49,013	1,139.44	657.34	1,041.90	676.37	(8.6)	2.9
Contel of North Carolina, Inc.	185,304	141,520	185,735	147,910	2,305.35	1,760.64	2,563.10	2,041.12	11.2	15.9
Ellerbe Telephone Co.	2,698	1,842	2,792	1,813	1,714.10	1,170.27	1,701.40	1,104.81	(0.7)	(5.6)
GTE South, Inc.	301,834	224,662	325,998	237,761	2,520.32	1,875.94	2,692.13	1,963.46	6.8	4.7
Heins Telephone Co.	33,559	20,021	34,926	21,172	1,507.05	899.09	1,518.65	920.60	0.8	2.4
Lexington Telephone Co.	30,451	20,734	33,494	22,271	1,353.62	921.67	1,411.22	938.36	4.3	1.8
Mebane Home Telephone Co.	8,482	4,268	9,493	4,754	1,513.83	761.73	1,628.86	815.72	7.6	7.1
North State Telephone Co.	96,298	52,340	95,909	53,107	1,184.80	643.96	1,135.92	628.98	(4.1)	(2.3)
Pineville Telephone Co.	2,043	1,219	1,911	1,013	1,671.85	997.55	1,419.76	752.60	(15.1)	(24.6)
Randolph Telephone Co.	5,048	3,678	5,257	3,843	1,710.03	1,245.93	1,708.48	1,248.94	(0.1)	0.2
Sandhill Telephone Co.	5,750	4,126	6,367	4,132	1,592.36	1,142.62	1,673.76	1,086.23	5.1	(4.9)
Southern Bell Tel. & Tel.	2,932,133	2,083,200	3,075,409	2,149,528	2,008.73	1,427.15	2,025.01	1,415.36	0.8	(0.8)
Total: Class A & B	$5,642,477	$3,892,841	$6,208,314	$4,057,800	$1,970.58	$1,359.54	$2,081.87	$1,360.72	5.6	0.1
Class C & D										
Barnardsville Telephone Co.	$1,518	$1,084	$1,818	$1,497	1,844.47	1,317.13	2,084.86	1,716.74	13.0	30.3
Contel of Virginia, Inc. ginia	822	575	901	627	1,934.12	1,352.94	1,997.78	N/C	N/C	N/C
Saluda Mountain Tel. Co.	989	462	1,041	456	841.70	393.19	908.38	397.91	7.9	1.2
Service Telephone Co.	1,400	741	1,314	741	1,479.92	783.30	1,358.84	766.29	(8.2)	(2.2)
Total: Class C & D	$4,729	$2,862	$5,074	$3,321	$1,403.68	$849.51	$1,476.72	$966.53	5.2	13.8
Grand Totals	$5,647,206	$3,895,703	$6,213,388	$4,061,121	$1,969.91	$1,358.94	$2,167.42	$1,416.64	10.0	4.2

*Gross plant includes plant under construction and held for future telephone use.
N/C = Not Comparable

FIGURE NO. 6-13 A

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1970	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
Number of Companies Included in this Data	29	25	22	21	21	21	21	21	
INCOME STATEMENT:									
Revenues:									
Local Service Revenues	$168,708	$314,135	$508,105	$665,970	$717,080	$751,785	$753,327	$753,726	0.1
Access Revenues	0	0	0	440,387	553,559	610,419	654,766	675,217	3.1
Toll Service Revenues	163,506	326,870	648,251	854,686	913,001	907,922	914,912	904,014	(1.2)
Misc. Revenues less Uncollectibles (a)	11,046	18,412	42,303	123,804	153,009	143,922	132.862	222,961	67.8
Total Operating Revenues	$343,260	$659,417	$1,198,659	$2,084,847	$2,336,649	$2,414,048	$2,455,867	$2,555,918	4.1
Expenses:									
Plant Operations - Specific	$58,878	$125,222	$255,556	$339,791	$373,289	$374,978	$380,624	$223,799	(41.2)
Depreciation	55,898	107,434	203,084	295,035	371,624	380,811	414,095	445,770	7.6
Plant Operations - Non-Specific								356,220	N/C
Customer Opertions		40,847	88,775	150,043	174,489	189,027	195,871	129,351	(34.0)
General Office Salaries & Expenses		25,746	56,269	103,263	129,604	157,784	172,101	530,784	208.4
Other Expenses	100,418	97,175	153,296	558,403	645,114	596,690	576,994	61,439	(89.4)
Corporate Operations								146,257	N/C
Total Operating Expenses Before Taxes	$215,194	$396,424	$756,980	$1,446,535	$1,694,120	$1,699,290	$1,739,685	$1,893,620	8.8
Operating Taxes:									
Operating Investment Tax Credits-Net	$1,093	$17,650	$31,643	$9,600	$12,361	($10,349)	($17,446)	($22,101)	26.7
State Income Taxes	4,451	8,060	14,397	23,405	27,259	30,384	36,832	27,754	(24.6)
Provision for Deferred Operating Income Tax-Net								12,116	N/C
Federal Income Taxes	30,529	12,702	22,049	104,374	113,601	185,429	144,546	135,269	(6.4)
Other Operating Taxes	25,768	92,686	142,401	180,393	144,646	126,234	142,792	79,194	(44.5)
Total Operating Taxes	$61,841	$131,098	$210,490	$317,772	$297,867	$331,698	$306,724	$232,232	(24.3)
Total Operating Expenses	$277,035	$527,522	$967,470	$1,764,307	$1,991,987	$2,030,988	$2,046,409	$2,125,853	3.9
Net Operating Income	$66,225	$131,895	$231,189	$320,540	$344,662	$383,060	$409,458	$430,065	5.0
Other Income or Expense:									
Interest Charged to Construction		$4,958	$4,063	$7,707	$5,961	$6,505	$5,720	$5,684	(0.6)
Other Income		$9,260	$14,049	$29,913	$26,081	$29,538	$26,541	$5,407	(79.6)
Deductions from Income				12,083	4,405	5,821	5,750	3,210	(44.2)
Total Other Income or Expense		$14,218	$18,112	$25,537	$27,637	$30,222	$26,511	$7,881	(70.3)

(a) The 1980 figure includes $922 of net rent from/for lease of operating property.
N/C = Not Comparable, The Annual Report Required was changed, due to this there were line items added and taken away.

FIGURE NO. 6-13 B

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1970	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
Fixed Charges:									
Interest on Funded Debt		$55,239	$88,110	$99,158	$100,685	$96,647	$92,514	$90,256	(2.4)
Other Fixed Charges				12,378	13,596	10,279	11,491	17,131	49.1
Total Fixed Charges		$55,239	$88,110	$111,536	$114,281	$106,926	$104,005	$107,387	3.3
Extraordinary & Delayed Items (Net)				549	647	(568)	424	270	(36.3)
Net Income	$66,225	$90,874	$161,191	$235,090	$258,665	$305,788	$332,388	$330,829	(0.5)
BALANCE SHEET:									
Assets:									
Telephone Plant in Service	$1,270,005	$2,244,307	$3,566,961	$4,636,453	$4,744,491	$5,077,225	$5,519,601	$6,213,359	12.6
Less Depreciation Reserve	271,675	466,752	781,122	1,173,356	1,342,895	1,510,779	1,751,503	2,241,330	28.0
Net Telephone Plant in Service	$998,330	$1,777,555	$2,785,839	$3,463,097	$3,401,596	$3,566,446	$3,768,098	$3,972,029	5.4
Telephone Plant Under Construction & Held for Public Use		63,021	110,003	98,408	103,952	99,941	127,605	77,800	(39.0)
Telecommunication Plant Adjustment								2,545	N/C
Non-Operating Plant								8,749	N/C
Total Net Telephone Plant	$998,330	$1,840,576	$2,895,842	$3,561,505	$3,505,548	$3,666,387	$3,895,703	$4,061,123	4.2
Investments & Funds:									
Investments and Advances to Affiliated Companies				$88,843	$96,531	$115,200	$117,666	$20,088	(82.9)
Other Investments				11,994	16,239	21,634	23,972	20,474	(14.6)
Sinking Funds									N/C
Non-Regulated Investments								6,057	N/C
Other Non Current Assets				6,439	5,295	8,510	9,020	114,015	N/C
Total Investments & Funds				$107,276	$118,065	$145,344	$150,658	$160,634	6.6
Current Assets:									
Cash				($5,070)	$12,929	$4,711	($15,035)	$1,162	(107.7)
Special Cash Deposits				510	716	3,059	481	424	(11.9)
Working Funds				683	513	440	433	454	4.8
Temporary Cash Investments				48,620	71,553	25,430	35,928	30,836	(14.2)
Notes Receivable				369	19,205	18,126	8,614	93	(98.9)
Notes Receivable Allowance									N/C
Accounts Receivable-Telecommunications								342,701	N/C
Accounts Receivable Allowance-Telecommunications								4,680	N/C
Other Accounts Receivable				352,261	374,711	450,057	441,275	132,101	(70.1)
Accounts Receivable Allowance-Other								(306)	N/C
Interest & Dividends Receivable				405	740	533	1,859	201	(89.2)
Materials and Supplies				44,619	42,310	45,429	37,482	42,183	N/C
Other Current Assets				21,807	22,196	21,511	25,327	114	N/C

N/C : Not Comparable, The Annual Report Required was changed, due to this there were line items added and taken away.

FIGURE NO. 6-13 C

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1970	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
Total Current Assets				$464,204	$544,873	$569,296	$536,364	$554,643	3.4
Prepaid Accounts & Deferred Charges				34,271	30,982	65,120	87,433	5,866	(93.3)
Total Assets				$4,167,256	$4,199,468	$4,446,147	$4,670,158	$4,782,266	2.4
Stockholder's Equity & Liabilities:									
Stockholder's Equity:									
Capital Stock				$962,548	$1,057,399	$1,065,576	$1,080,522	$979,906	(9.3)
Additional Paid-In Capital								148,089	N/C
Other Capital				53,559	53,200	53,829	53,852	52,897	(1.8)
Retained Earnings				506,567	577,172	667,616	768,833	828,414	7.7
Total Stockholder's Equity				$1,522,674	$1,687,771	$1,787,021	$1,903,207	$2,009,306	5.6
Long-Term Debt:									
Funded Debt (Actually Outstanding)				$1,083,074	$1,095,090	$1,070,235	$1,065,838	$1,048,107	(1.7)
Advances From Affiliated Companies								86,532	N/C
Other Long-Term Debt				100,835	114,241	134,658	164,452	37,322	(77.3)
Total Long-Term Debt				$1,183,909	$1,209,331	$1,204,893	$1,230,290	$1,171,961	(4.7)
Current & Accrued Liabilities:									
Accounts Payable				$268,135	$259,988	$300,340	$348,135	$315,655	(9.3)
Notes Payable								74,317	N/C
Customer Deposits				18,584	19,636	19,273	21,235	22,096	4.1
Advance Billing & Payments				30,830	35,335	36,809	37,840	41,431	9.5
Other Current Liabilities				93,409	119,011	73,613	117,894	44,981	(61.8)
Taxes Accrued				59,072	61,672	65,442	64,915	69,659	7.3
Net Current Deferred Taxes								(3,351)	N/C
Unmatured Interests, Dividends, & Accrued Liabilities				35,469	35,781	32,751	34,644	105,791	205.4
Total Current & Accrued Liabilities				$505,499	$531,423	$588,228	$624,663	$670,579	7.4
Deferred Credits & Other Liabilities				$955,174	$770,943	$866,005	$911,998	$930,421	2.0
Total Stockholder's Equity & Liabilities				$4,167,256	$4,199,468	$4,446,147	$4,670,158	$4,782,267	2.4

N/C = Not Comparable, The Annual Report Required was changed, due to this there were line items added and taken away.

FIGURE NO. 6-13 D

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1970	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
STATISTICS (N.C. ONLY):									
Access Lines In Service--Year End*									
Residential Access Lines	1,677,502	2,406,878	3,104,066	1,958,805	2,015,374	2,127,816	2,273,098	2,688,045	18.3
Business Access Lines	341,009	450,680	578,045	538,399	563,854	613,735	688,477	773,515	12.4
Other Access Lines	272,202	378,041	457,612	51,901	60,450	65,376	34,956	172,337	393.0
Grand Total of all Access Lines in Service	2,290,713	3,235,799	4,139,723	2,549,105	2,639,678	2,806,927	2,996,531	3,633,897	21.3
Average Number of Calls per Telephone or Access Line*: (Class A & B Only)									
Local	2,101	1,978	1,710	2,669	2,736	2,889	3,027	2,769	N/C
Toll	85	113	198	326	394	511	574	307	N/C
Total Average Number of Employees	17,791	19,461	21,678	17,170	16,523	16,309	16,660	16,772	0.7
Total Wages & Benefits Paid Employees (000s)	$121,531	$221,163	$404,832	$458,157	$474,053	$490,138	$526,986	$557,900	5.9
Average Annual Wages & Benefits Paid Employees (Actual Dollars)	$6,831	$11,364	$18,675	$26,683	$28,691	$30,053	$31,632	$33,264	5.2

* Information was available for nine telephone cos. in 1984 & 1985 and eleven cos. in 1986 & 1987. 1988 data was based on 17 cos.
N/C : Not Comparable, The Annual Report Required was changed, due to this there was Statistical Data Requested changed also.
The 1970-1987 data was based on telephones, with 1988 based on access lines.

VII. Water And Sewer Companies

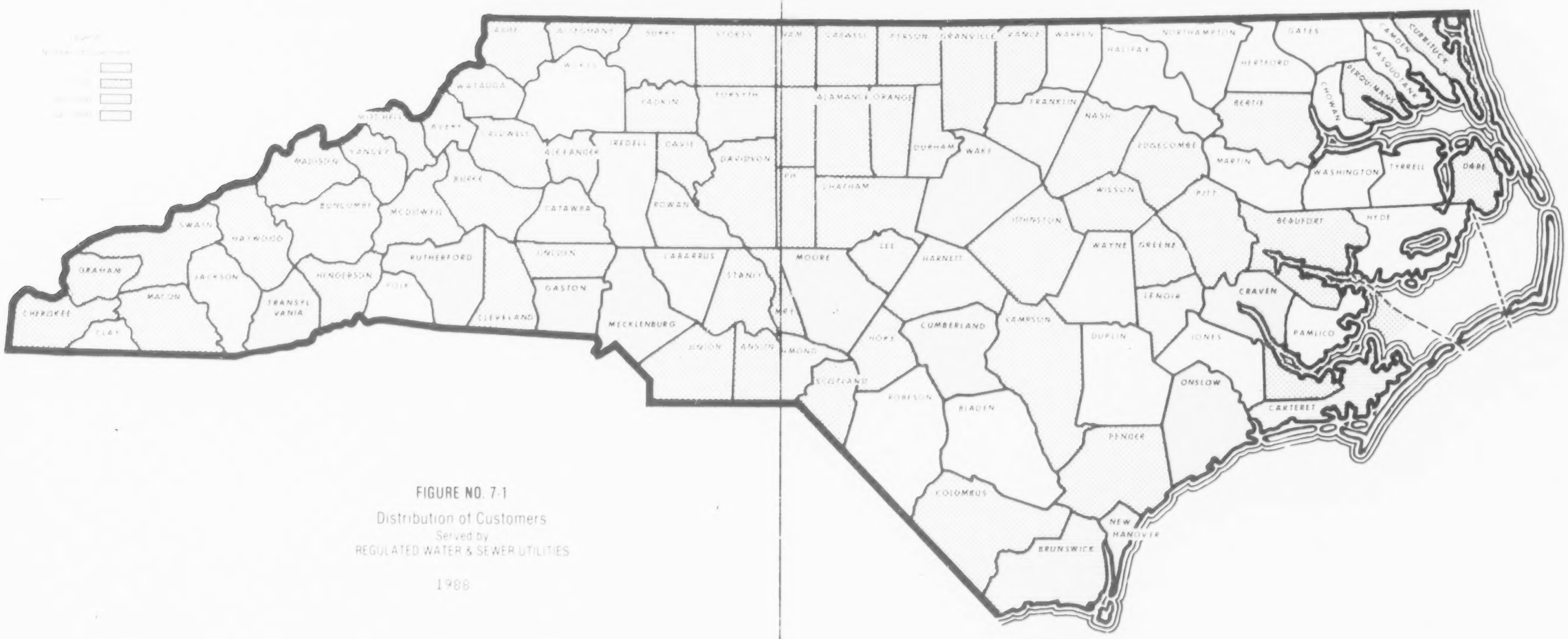


FIGURE NO. 7-1

Distribution of Customers
Served by
REGULATED WATER & SEWER UTILITIES

1988

A. GENERAL COMMENTS

As of December 31, 1988, there were 1,582 regulated water and sewer systems in North Carolina owned by 393 companies. These are comprised of 1,349 water and 233 sewer systems, for an increase of about 2% in total systems from the previous year. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water and sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to fewer than ten residential customers. Specifically exempt from regulation under the statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The statutes also exempt certain consumer-owned corporations.

Figure Nos. 7-1 and 7-2 show a map and, in chart form, the locations of the water and sewer systems by counties with the number of systems and customers in each county.

In 1988 and 1987, approximately 85% of the regulated companies received less than $50,000 in annual revenues with only sixteen companies in 1988 and ten in 1987 receiving more than $500,000. Approximately 65% of the water and sewer companies served fewer than 100 customers in 1988 compared to 67% of the companies in 1987.

One of the major problems encountered in regulating small water and sewer utilities is their lack of keeping adequate records. Many small utility owners quite possibly subsidize operations for several years because their records, which are required for filing and justifying rate increases, are inadequate. As a result, of the 393 water and sewer companies franchised to operate in 1988, current statistical and operating data is only included for 324 companies. This data is found in Figure No. 7-3. For the other 69 companies, the most recent statistical data received by the Commission is presented in Figure No. 7-4. This noncurrent statistical data for the years 1976 through 1987 is included to illustrate the total scope of the regulated water and sewer industry in North Carolina.

The Commission has adopted a simplified (2-page) annual report which should encourage small utilities to maintain minimum records of their revenues and expenses. This should enable them to keep accurate records and provide them with the required information needed for general rate cases.

In 1988 approximately 80% of the customers of regulated water companies in North Carolina received metered service, and were furnished water treated in some manner, usually by chlorination. In some systems water is treated with phosphates to control excess iron, and a few systems have filters for iron removal. Approximately 32% of the companies serve customers with water systems having fire protection capability. A few of the companies purchase water from municipalities for resale to their customers, but most of the companies supply water by means of deep wells.

B. COMMISSION ACTIVITIES

During 1988, applications for general rate increases were filed by 32 water and/or sewer companies. Twenty-three water and sewer companies filed for general rate increases in 1987. The Commission granted $380,195 of the $736,971 requested by the water and sewer companies in 1988.

Applications for new franchises totaled 44 in 1988, down 24 cases from 1987. There were 36 requests for transfers of franchises, down from 38 requests in 1987, and 58 miscellaneous proceedings which involved petitions to show cause, requests for emergency operators, restrictions on outside water usage, public utility status determinations, and formal complaints.

In 1987, The Commission held hearings on the Tax Reform Act of 1986

(TR-86), effective January 1, 1987, in regard to the taxation on contribution in aid of construction (CIAC). On August 26, 1987, the Commission ruled that water and sewer companies shall use the full gross-up method of collecting CIAC unless the Commission gives prior approval for a different method in a particular case or unless the company applies for, and is granted, approval to use the net present value method. The full gross-up method collects from the contributor all the taxes that would be due on the CIAC, with no out of pocket expenses from the utility company. Whereas the present value method takes into account the future tax savings realized by the utility on its tax return from depreciation of the CIAC. Therefore, the application of the net present value method requires some cash outlay from the utility funds in meeting the tax obligations from the CIAC. If the company does not follow the full gross-up requirements established by this Order, they will not be allowed to recover the costs of the taxes arising from the CIAC through rates or other charges to customers, without a strong, clear, and convincing showing of exceptional cause. The Commission is currently reviewing comments by interested parties on this matter.

In 1988, environmental testing requirements were placed on all well systems by State and Federal agencies. This requires all wells to be tested for Volative Organic Compounds (VOC's). The average cost per well for the test is $500 to $600, with a re-test due every 5 years. The Commission adopted a policy to pass on the cost of the VOC's testing with a tariff filing instead of a general rate case proceeding. Requests are reviewed and acted upon on a case by case situation.

All water and sewer utility plants are required to furnish a bond secured in an amount not less than $10,000 and no more than $200,000. These bonds are in the form of cash or certificates of deposits. They are posted for use by the Commission in the event that an emergency operator is needed to take over a system and also to provide an incentive for utility companies to properly operate and maintain their systems.

C. REGULATED VS. NONREGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected nonregulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-8. This also shows the same comparable component for residential sewer service in North Carolina for the same period.

The Outside City Limits charges for municipal systems vary from 2 to 2 1/2 times the Inside City Limits rates.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina was 393, an increase of 10 companies from 1987. These companies operated 1,349 water systems and 233 sewer systems within the State. They served 153,947 water and sewer customers and received $29,869,565 in annual revenues. See Figure No. 7-7 for a graphic presentation.

Of the 393 water and sewer companies regulated as of December 31, 1988, seven water companies and seven water/sewer companies had records in sufficient detail to provide some comparative data to be developed for this report. The individual financial and statistical data for these 14 companies for the year 1988 is shown in Figure Nos. 7-5 and 7-6.

Caution should be used in applying the results of the data shown for these 14 companies to any specific situtation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for

ratemaking purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions. Often there are downward adjustments in both the plant account and in operation expenses due to the system's having unreasonably large unused customer capacity during the early stages of development. In view of these limitations, the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE 7-2

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
ALAMANCE				
Alamance Village Utility Corporation	0		1	
Heater Utilities	92		1	
Hydraulics, Ltd.	45		1	
Mayco Utilities, Inc.		91		1
Veterans Drive Community Water	30		1	
	167	91	4	1
ALEXANDER				
Bethlehem Utilities, Inc.	297		4	
Forest Acres Water Company	22		1	
Forrest, Tony P.	18		1	
Hefner Builders, Inc.	0		1	
Matlock, T. L., Jr.	45		2	
Mid South Water Systems, Inc.	24		2	
Millstead Community Water System	16		1	
Piedmont Construction & Water Company, Inc.	361		10	
Pleasant Gardens Water Department	30		1	
	813	0	23	0
ALLEGHANY				
Carolina Water Service of N. C.	173		1	
	173	0	1	0
ANSON				
McRae Construction Company, Inc.	62		1	
	62	0	1	0
ASHE				
Cross-State Development Company	151		3	
Fleetwood Falls, Inc.	105		1	
Wastewater Services, Inc.	42	41	1	1
	298	41	5	1
AVERY				
Carolina Water Service of N. C.	940	675	2	1
Elk River Development Corporation	110	62	1	1

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
AVERY CONTINUED				
Grandfather Golf & Country Club	181	170	2	2
Linville Ridge	221		1	
Mountain Group	171	31	1	1
Weber Development Company	9		1	
	1,632	938	8	5
BEAUFORT				
Bayview Water Works	96		1	
Flanders Filters, Inc.	15		1	
SRME Water System	52		1	
	163	0	3	0
BERTIE				
Evans, Leroy	15		1	
Perrytown Water System	15		1	
White, Billy	12		1	
	42	0	3	0
BLADEN				
None				
BRUNSWICK				
B & C Corporation, Inc.	60		1	
Bald Head Island Utilities, Inc.	302	275	1	1
Brick Landing Utility Corporation		0		1
Carolina-Blythe Utility Company	662	639	1	1
Oyster Bay Utilities, Inc.		0		1
Pelican Trace Utilities, Inc.		0		1
River Run Utilities, Inc.		18		1
	1,024	932	3	6
BUNCOMBE				
Brown, E. S.	17		1	
Carolina Water Service of N. C.	610	610	3	2
Eagle Heights Utilities, Inc.	10		1	
Huey, Wade	15		1	
Jewell, A. Gordon	34		1	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
BUNCOMBE CONTINUED				
Kirk Glen, Inc.	25		1	
Poplar Terrace Mobile Home Park	11	11	1	1
Ridgecrest Baptist Conference Center	283		1	
R.O.E. Water Utility Company	22		1	
Smith, R. Wiley	29		1	
Viewmont Acres Water System	17		1	
Waller, Louis C., M. D.		49		1
	1,073	670	13	4
BURKE				
Hill Top Subdivision Water System	13		1	
Huffman, H. C. Water Systems, Inc.	21		1	
L & L Construction, Inc.	30		1	
Mid South Water Systems, Inc.	65		3	
Mineral Springs Mountain Water Supply	39		1	
Smawley, Elon	30		1	
South Mountain Water Works	35		1	
	233	0	9	0
CABARRUS				
Barrier Grain Company	18		1	
Carolina Water Service of N. C.	318	410	3	2
Castor Court Water Company, Inc.	16		1	
Corriher Water Service, Inc.	544		9	
Goodman, Richard L.		19		1
Harward's Realty & Insurance Company	28		1	
Holt, Edgar L., Subdivision Water System	16		1	
Home Realty Company & Insurance	42		1	
Lad, Inc.	107	107	2	2
Little, C. F., Construction Company	49		1	
Mid South Water Systems, Inc.	855	118	17	1
Mullis, Giles E.	23		3	
Northwestern Woods Well System	22		1	
Rayco Utilities, Inc.	37		1	
Sehorn Water Supply, Inc.	21		1	
Silver Maples Mobile Estates	7	29	1	1
Terres Bend Water System	20		1	
Zemosa Acres Water System	263		2	
	2,386	683	47	7

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CALDWELL				
Carolina Water Service of N. C.	62		1	
Fairway Acres Water System	53		2	
Huffman, H. C., Waters Systems, Inc.	38		1	
Joyceton Water Works, Inc.	159		1	
Looper, Clark Russell	17		1	
Miller, R. B., Jr.	23		1	
Wagner, W. Charles	19		1	
	371	0	8	0
CAMDEN				
None				
CARTERET				
Beacon's Reach Master Association		426		1
Carolina Water Service of N. C.	2,770	6	7	4
Colony Water of Morehead City	31		1	
Conner Homes Corporation	47		1	
Emerald Plantation Utility Company		17		1
H & M Water Company, Inc.	88		2	
Hydraulics, Ltd.	127		2	
Peppertree Atlantic Beach		1		1
T.E.T. Utility Company		321		2
	3,063	771	13	9
CASWELL				
Millner Water Systems	32		2	
	32	0	2	0
CATAWBA				
A & B Water Company	21		2	
Acqua, Inc.	100		1	
Bolick, Albert	19		1	
Cardinal Estates Water System	8		1	
Cline, H. C. Building & Supply	47		1	
Corriher Water Service	30		1	
Duan Water Works, Inc.	52		1	
Fairbrook Utility Company	18		1	
Hart Water Systems	172		2	
Huffman, George	36		1	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CATAWBA CONTINUED				
Huffman, H. C., Water Systems, Inc.	404		9	
Jamestown Water Corporation	100		1	
Killian Water Systems	27		1	
Matthews, B. C., Construction Company	20		1	
McCree, William E.	24		1	
Mid South Water Systems	1,056	98	31	2
Piedmont Construction & Water Company, Inc.	1,129		25	
Rock Barn Water System	106		1	
Setzer Brothers Well Boring	133		3	
Shamrock Water Corporation	63		1	
Shiloh Water Corporation	20		1	
Spring Valley Water System	18		1	
Tarlton Real Estate Corporation	119		1	
W & K Enterprises	43		2	
	3,765	98	91	2
CHATHAM				
Fearington Utilities		250		1
Goss Utility Company	56		1	
Hudson Cole Development Corporation	27	27	2	2
Hydraulics, Ltd.	363		6	
	446	277	9	3
CHEROKEE				
Carolina Water Service of N.C.	193	78	1	1
Mulkey Homesites	112		2	
Pied Piper Resort, Inc.	29		1	
	334	78	4	1
CHOWAN				
None				
CLAY				
None				

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CLEVELAND				
Bellview Water System, Inc.	6		1	
Cleveland Water Systems, Inc.	160		1	
Lake Terrace Water System	33		1	
Mid South Water Systems, Inc.	62		3	
Quail Hollow Water System, Inc.	27		1	
Rollingwood Water System, Inc.	64		1	
White Oak Community Water System	52		1	
	404	0	9	0
COLUMBUS				
Duchess Forest Water Supply	34		1	
Honey Hill Water Company	26		2	
Lakeland Village Water Supply	49		1	
	109	0	4	0
CRAVEN				
Carolina Pines Utility Company		13		1
Carolina Water Service of N. C.	730	630	1	1
Greenfield Heights Development	25		1	
Havelock Development Corporation	180		1	
Marmarose Company	87		2	
Northeast Craven Utility Company	2,569	2,537	1	1
	3,591	3,180	6	3
CUMBERLAND				
Birchwood Farms, Inc.	129		1	
Brookwood Water Corporation	6,147		38	
Carolina Water Service of N. C.	281		3	
Cumberland Water Company	1,217	251	4	1
LaGrange Water Works	4,589		30	
Liberty Water Company	40	40	1	1
Maxwell Water Company	34		1	
Mobile Heights Water System	36		1	
Montclair Water Company	3,839	2,891	19	15
Overhills Water Company	302		1	
P & H Water Company	149		4	
Scotsdale Water & Sewer, Inc.	387		3	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CUMBERLAND CONTINUED				
Sunset Park Utilities	409	206	2	1
Vander Water Company	219		3	
Water, Inc.	129		1	
	17,907	3,388	112	18
CURRITUCK				
Carolina Water Service of N. C.	161	141	1	1
	161	141	1	1
DARE				
Environmental Pollution Control		166		1
Kitty Hawk Utilities, Inc.		0		3
Nags Head Village Service		64		1
Outer Banks Beach Club, Inc.		12		1
Sea Isle Hills Water System	18		1	
	18	242	1	6
DAVIDSON				
Surry Water Company	31		1	
Willow Creek Builders, Inc.		92		1
	31	92	1	1
DAVIE				
Bermuda Run Country Club		207		4
Tri-South Construction Company	11		1	
	11	207	1	4
DUPLIN				
None				
DURHAM				
Clearwater Utilities, Inc.	50		1	
Colony Park Utilities Company		22		1
Eno Industrial Sewage Facility	103	73	1	1

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
DURHAM CONTINUED				
Goss Utility	279		5	
Heater Utilities, Inc.	501		10	
Hydraulics, Ltd.	14		1	
MAM Water & Sewer Corporation		281	1	1
North State Utilities		0		1
	947	376	19	4
EDGECOMBE				
Hazelwood Water Company	66		1	
Lone Pine Water Company	59		1	
	125	0	2	0
FORSYTH				
Carolina Water Service of N. C.	243	112	6	1
Hydraulics, Ltd.	691		11	
Mid South Water Systems, Inc.		7		2
Rayco Utilities, Inc.		63		1
T-Square Water Company	250		1	
	1,184	182	18	4
FRANKLIN				
Clearwater Utilities, Inc.	17		1	
Heater Utilities, Inc.	8		1	
Piedmont Carolina Construction	19		1	
Rayco Utilities, Inc.		41		1
Riviera Utilities of N.C., Inc.	4,797		2	
	4,841	41	5	1
GASTON				
Bradshaw Water Company	80		4	
Bess Brothers, Inc.	221		5	
Bess, Craig, Inc.	509		8	
Brindle Well Drilling	77		2	
Carolina Water Service of N. C.	621	184	8	2
D & W Water Systems	112		2	
Dockery's Water System	133		2	
Duncan, Gordon	14		1	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
GASTON CONTINUED				
Falls, Ralph L., Water System	374		6	
Fox Fire Water System	4		1	
Gallagher Trails Enterprises	37		1	
Gaston Builders, Inc.	37		1	
Hensley Enterprises, Inc.	1,990		35	
Holbrook, Mrs. M. L.	26		1	
Hollandale Water Company	30		1	
Honeycutt Water System	72		3	
Jones, J. W.	11		1	
Laurel Woods Water System	65		1	
Lewis Water Company, Inc.	402		12	
Lewis Water Systems	142		1	
Mid South Water Systems, Inc.	371		11	
Patterson, James D.	28		1	
Paysours Water Works, Inc.	92		1	
Proctor Water Works	17		1	
Ratchford, Brady	48		1	
Rolling Hills Mobile Home Park	41		1	
Ruff Water Company	538		10	
Skyland Drive Water System	21		1	
Skyview Water System, Inc.	68		1	
Stewart, Paul A.	124		2	
Stony Oaks Water System	8		1	
Valleydale Water Company	46		1	
	6,359	184	128	2
GATES				
None				
GRAHAM				
Tobacco Barn Village	39		1	
	39	0	1	0
GRANVILLE				
Wilson Water Service	49		3	
	49	0	3	0

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
GREENE				
H & H Development Corporation	31		1	
	31	0	1	0
GUILFORD				
Hydraulics, Ltd.	205		7	
	205	0	7	0
HALIFAX				
None				
HARNETT				
Anderson Creek Homes Water System	190		1	
Harnett Lakes Water Company, Inc.	82		1	
Heater Utilities, Inc.	15		1	
Pinnacle, Inc.	19		1	
Rolling Springs Water Company, Inc.	1,064	422	8	1
Tart's Investment Corporation	31		1	
	1,401	422	13	1
HAYWOOD				
Brookside Water Company	28		1	
Ross, Sanford E.	28		1	
Springdale Water Company	74	36	1	1
	130	36	3	1
HENDERSON				
BRTR, Inc.	81		2	
Brightwater Water Department	112		1	
Browning Enterprises, Inc.	67		1	
Campen Carolina Corporation	0		1	
Etowah Sewer Company		0		1
FDB, Inc.	11		1	
Hooper's Valley Estates	55		1	
Horse Show Sewer Company		0		1
Kenmure Properties, Ltd.		0		1
Lake Summit Corporation	66		1	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
HENDERSON CONTINUED				
Harper, Inc.	55		1	
Mid South Water Systems, Inc.	64		1	
Woodhaven Water System	49		1	
	560	0	11	3
HERTFORD				
None				
HOKE				
Harmony Heights Water System	89		1	
Scotsdale Water & Sewer, Inc.	27		2	
	116	0	3	0
HYDE				
None				
IREDELL				
Combs, Robert F.	39		3	
Community Water Works, Inc.	77		2	
Corriher Water Service, Inc.	144		1	
Gaither Water Company	0		1	
Mid South Water Systems, Inc.	122	42	6	4
Piedmont Construction & Water Company, Inc.	918		21	
Triangle Construction Company, Inc.	20		1	
Tulbert, Stephen E.	10		1	
	1,330	42	36	4
JACKSON				
Cowan Valley Estates Water System	30		1	
Dillard Grading Company	74		1	
High Hampton, Inc.	85		1	
Holly Hills Water	15		1	
Jackson Utility Company	877	568	1	1
Moss, James H.	41		1	
	1,122	568	6	1

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
JOHNSTON				
Carolina Water Service of N. C.	79	79	2	2
Fisher Utilities	136		3	
Heater Utilities, Inc.	94		6	
Johnston-Wake Utilities, Inc.	18		1	
Oak Ridge Water System, Inc.	13		1	
Stony Brook Estates Water System	32		1	
White Oak Utilities, Inc.	53	50	1	1
	425	129	15	3
JONES				
None				
LEE				
Carolina Lakes Corporation	127	127	1	1
Carolina Trace Corporation	747	686	1	1
Carolina Water Service of N. C.	60		1	
Farm Water Works	19		1	
Fisher Utilities, Inc.	57		1	
	1,010	813	5	2
LENOIR				
Crestview Water Company	357		1	
Falling Creek Water Company	351		4	
Hickory Hills Service Company, Inc.	242		1	
Jones, Vernon	36		1	
Mount Vernon Park Water System	152		3	
	1,138	0	10	0
LINCOLN				
Coral Park Community Wells	12		1	
Lincoln Water Works, Inc.	123		1	
Mid South Water Systems, Inc.	67		1	
	202	0	3	0

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
MACON				
Carolina Water Service of N. C.	123		1	
Flat Mountain Estates Water System	34		1	
Riverbend Estates Water System	91		1	
	248	0	3	0
MADISON				
Carolina Water Service of N. C.	390		1	
	390	0	1	0
MARTIN				
None				
McDOWELL				
Mid South Water Systems, Inc.	60		1	
	60	0	1	0
MECKLENBURG				
Alternative Waste Treatment Systems		3		1
Bradshaw Water Company	14		2	
Burnett Construction Company, Inc.	476	173	3	1
Carolina Water Service of N. C.	4,598	1,193	39	7
Clear Meadow Water, Inc.	40		2	
Corriher Water Service, Inc.	80		1	
Crater Water System	53		1	
Goose Creek Utility Company	98		1	
Hunter Water Company	125		2	
Juniper Water Company	42		1	
Mauney, William K., Jr.	44		3	
Mid South Water Systems, Inc.	1,281	283	26	10
North State Utilities		0		1
Sanders Water Company	46		1	
United Systems Company, Inc.		0		1
	6,897	1,652	82	21

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
MITCHELL				
Mid South Water Systems, Inc.	41		1	
	41	0	1	0
MONTGOMERY				
Carolina Water Service of N. C.	275		2	
	275	0	2	0
MOORE				
Blue Farm Water Systems	19		1	
Carolina Water Service of N. C.	897		2	
Community Utilities, Inc.	783		4	
Hydraulics, Ltd.	66		2	
Hyland Hills Development Group	55		1	
Jackson Hamlett Water Supply	123		1	
Niagara Water Company	25		1	
Pinehurst Enterprises, Inc.	3,253	2,423	1	1
Riverview Water System	33		1	
Seven Lakes Utilities, Inc.	958		1	
Vila Pump Company	34		1	
Woodlake Utilities, Inc.	254	188	1	1
	6,500	2,611	17	2
NASH				
Edwards Millwork & Builder Supply	44		1	
Timberlake, William J.	0		1	
	44	0	2	0
NEW HANOVER				
Associated Utilities, Inc.	625	518	3	3
C & L Utilities, Inc.	245		3	
Cape Fear Utilities	3,174	937	44	14
Coastal Carolina Utilities, Inc.	50	23	2	2
Coastal Plains Utilities Company	631		5	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
NEW HANOVER CONTINUED				
Fairway Utilities, Inc.	130	130	1	1
G & F Construction		1		1
Glynwood Mobile Home Park	88		1	
H & H Development Corporation		45		1
Inlet Bay Utilities, Inc.	120	149	2	3
Kings Grant Water Company	1,944		7	
Ogden Village Utilities, Inc.		9		1
Quality Water Supplies, Inc.	1,611	119	18	2
Treasure Cove Water Company	197		1	
	8,815	1,931	87	28
NORTHAMPTON				
None				
ONSLOW				
Blue Creek Utilities, Inc.		77		4
CWB Utilities,Inc.		20		1
Holiday City Mobile Home Park	378	378	1	1
Horse Creek Farms Utilities Corporation		21		1
Mercer Environmental Corporation	1,579	628	12	4
North Topsail Water & Sewer, Inc.		1,141		1
Oak Wood Water Company	81		1	
Pen Properties, Inc.	75		2	
Pines Utilities, Inc.		248		1
Regalwood Water Company	136		1	
Rock Creek Environmental Company		10		1
S & G Development Corporation	120		1	
Scientific Water & Sewerage Company, Inc.	1,161	1,208	6	6
Sentry Utilities, Inc.		150		2
Spring Water Company, Inc.	138		1	
Viking Utilities Corporation, Inc.		320		1
Webb Creek Water & Sewer, Inc.		0		1
	3,668	4,201	25	24
ORANGE				
Heater Utilities, Inc.	227		4	
Hydraulics, Ltd.	13		1	
Northwood Developers of Orange County	80		1	
Windham Mobile Home Park	13		1	
	333	0	7	0

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
PAMLICO				
None				
PASQUOTANK				
None				
PENDER				
C & L Utilities, Inc.	58	58	1	2
Carolina Water Service of N. C.	227	130	1	1
	285	188	2	3
PERQUIMANS				
Holiday Island Property Owners	827		1	
	827	0	1	0
PERSON				
Goss Utility Company	47		1	
	47	0	1	0
PITT				
Hendrix Barnhill Company, Inc.	40		1	
Homestead Community Water	37		1	
Rivercreek Utility Company	19		1	
Riverhills, Inc.		71		1
Rose Hill Associates Water Company	255	255	1	1
	351	326	4	2
POLK				
Mid South Water Systems, Inc.	0		1	
	0	0	1	0

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
RANDOLPH				
Avalon Water System, Inc.	18		1	
Franklinville Waste Treatment Company		33		1
Hydraulics, Ltd.	360		8	
McMahan, Harold	62		1	
Piedmont Estates Water System	96		1	
Randolph Mills, Inc.		33		1
Rayco Utilities, Inc.	177	177	3	3
Touch & Flow Water Systems	261	67	6	1
	974	310	20	6
RICHMOND				
Baker Water Services, Inc.	3		1	
	3	0	1	0
ROBESON				
None				
ROCKINGHAM				
Billingsly, W. D. & J. T.	35		1	
Clear Flow Utilities, Inc.	389	275	1	1
Hydraulics, Ltd.	109		4	
Rockingham Realty Company, Inc.	36		1	
Wilson, Mitchell B.	59		2	
	628	275	9	1
ROWAN				
Anderson, Wayne	8		1	
Borriher Water Service, Inc.	405		12	
Grove Supply Company, Inc.	21		1	
Hydraulics, Ltd.	173		7	
Annapolis Water Company	1,542	1,553	1	1
Old South Water Systems, Inc.	135		4	
Orlan Park Water Company, Inc.	20		1	
Willis, Giles E.	21		2	
Old Farm Water System, Inc.	79		1	
Rayco Utilities, Inc.	50	51	1	1
South Rowan Investment Corporation	18		1	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
ROWAN CONTINUED				
Surry Water Company, Inc.	62		1	
Trexler Water System	103		1	
Wright, Lee & Delores	50		1	
Yost, J. M.	11		1	
	2,698	1,604	36	2
RUTHERFORD				
Chimney Rock Water Works	82		1	
Duke Power Company	4,132		3	
East Rutherford Water System, Inc.	30		1	
Hawkins, Paul T. Company, Inc.	318		2	
Mid South Water Systems, Inc.	114		2	
Mountains Utility Company	629	332	1	1
	5,305	332	10	1
SAMPSON				
Moss Hill Water Works Company	52		1	
	52	0	1	0
SCOTLAND				
Pate, Z. V., Inc.	563		1	
Scotland Water Company	244		4	
Spring Hill Water Corporation	19		1	
Springs Industries, Inc.	35	32	1	1
	861	32	7	1
STANLY				
Cook, L. V., Water Supply	104		2	
H & A Water Services, Inc.	10		1	
Norwood Beach Water System	59		2	
Western Utilities Corporation	0		4	
	173	0	9	0

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
STOKES				
Grandview Water Company, Inc.	105		1	
Hydraulics, Ltd.	2		1	
Rayco Utilities, Inc.	71	195	1	2
	178	195	3	2
SURRY				
Forest Hills Water System	112		1	
Hydraulics, Ltd.	73		1	
Surry Water Company, Inc.	933		26	
Woods Water Works, Inc.	32		4	
	1,150	0	32	0
SWAIN				
Dillard Grading Company	11		1	
	11	0	1	0
TRANSYLVANIA				
Big, Inc.	131		3	
Sherwood Forest Utilities, Inc.		25		1
TPG Utilities, Inc.	49		1	
Transylvania Utility Company	3,096	1,810	1	1
	3,276	1,835	5	2
TYRRELL				
None				
UNION				
Carolina Water Service of N. C.		540		2
Country Hills Water Company	34		1	
Goose Creek Utility		197		1
Independence Water System	20		1	
Mid South Water Systems, Inc.		11		1
Parris, Steddy Durbin, Jr.	59	59	2	2
Sherwood Forest Community Water System	12		1	
Simco, Inc.	30		1	
	155	807	6	6

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
VANCE				
Heater Utilities, Inc.	37		1	
Vance Rural Water Systems, Inc.	36		2	
	73	0	3	0
WAKE				
A-1 Utilities	0		2	
All Star Mobile Home Park	237	220	1	1
Alpha Utilities, Inc.	91		7	
Buffaloe Water System	27		1	
CAC Utilities, Inc.		0		5
Clearwater Utilities, Inc.	476		9	
Compass Utilities	0		2	2
Emerald Village Water System	46		1	
Fairview Water System	120		1	
Falls Utility Company	26	24	1	1
Fisher Utilities, Inc.	554		14	
Foxhall Village Utilities	252	252	1	1
Gensinger, John	27		1	
Gower, Jerry	18		1	
Green Spring Valley Mobile Estates	290	290	1	1
Gresham's Lake Utility Company, Inc.	17	17	1	1
Hare, John E.	15		1	
Harrco Utility		0		3
Hasty Water Utilities, Inc.	4,332		69	
Heater Utilities, Inc.	6,410		107	
Heritage Water Company, Inc.	105		1	
Ideal Mobile Home Park	24		1	
Johnston-Wake Utilities	51		2	
Jones Dairy Farm Corporation		78		1
Lee, Ira A. and Associates	63	63	1	1
McCullers Pines Water System	14		1	
M. D. Square, Inc.	22		1	
Mobile Hills Estates Water System	42		1	
Nero Utilities, Inc.	0	0	1	1
Neuse Crossing Utilities	0	0	1	1
North State Utilities, Inc.		49		8
Parrish & Weathers		112		2
Precision Utility Limited		0		1
Prior Construction Company	106		1	
Riverview North Utilities	69		1	
S & H Corporation of Wake County	11		1	
Scotsdale Water & Sewer, Inc.	148		6	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
WAKE CONTINUED				
Spring Water Company, Inc.	17		1	
Turner, T. H. Farms, Inc.	207		4	
Twin Lake Properties	1		1	
Umstead Water Company	20		1	
Utility Systems, Ltd.		89		1
WPM Associates		37		1
Wake Utilities, Inc.	0	0	1	
Westgate Utilities Company, Inc.	8		1	
	13,846	1,231	249	32
WARREN				
None				
WASHINGTON				
None				
WATAUGA				
Associated Realty & Investment, Inc.	79		1	
Carolina Water Service of N. C.	730	141	9	1
Powder Horn Utilities, Inc.	171		4	
	980	141	14	1
WAYNE				
Carolina Water Service of N. C.	1,109		6	
Dees & Tyndall, Inc.		0		1
Genoa Water Systems, Inc.	811		9	
Heater Utilities, Inc.	302		5	
	2,222	0	20	1
WILKES				
None				
WILSON				
C N & H Corporation	76		1	
Davis, Roy & Virginia	45		1	

*Many companies operate more than one system.

FIGURE 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1988

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
WILSON CONTINUED				
Jackson, Harold L.	15		1	
West Wilson Water Company	203		6	
Wilson Water Systems	134		1	
Windsor Lake Water Company	66		1	
	539	0	11	0
YADKIN				
Forest Hills Water System	9		1	
Yadkin Water Corportion	22		1	
	31	0	2	0
YANCEY				
Carolina Water Service of N. C.	195		2	
	195	0	2	0
GRAND TOTAL	121,654	32,293	1,349	233

*Many companies operate more than one system.

FIGURE NO. 7-2A
SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31,1988

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
ALAMANCE	167	91	4	1
ALEXANDER	813		23	
ALLEGHANY	173		1	
ANSON	62		1	
ASHE	298	41	5	1
AVERY	1,632	938	8	5
BEAUFORT	163		3	
BERTIE	42		3	
BLADEN				
BRUNSWICK	1,024	932	3	6
BUNCOMBE	1,073	670	13	4
BURKE	233		9	
CABARRUS	2,386	683	47	7
CALDWELL	371		8	
CAMDEN				
CARTERET	3,063	771	13	9
CASWELL	32		2	
CATAWBA	3,765	98	91	2
CHATHAM	446	277	9	3
CHEROKEE	334	78	4	1
CHOWAN				
CLAY				
CLEVELAND	404		9	
COLUMBUS	109		4	
CRAVEN	3,591	3,180	6	3
CUMBERLAND	17,907	3,388	112	18
CURRITUCK	161	141	1	1
DARE	18	242	1	6
DAVIDSON	31	92	1	1
DAVIE	11	207	1	4
DUPLIN				
DURHAM	947	376	19	4
EDGECOMBE	125		2	
FORSYTH	1,184	182	18	4
FRANKLIN	4,841	41	5	1
GASTON	6,359	184	128	2
GATES				
GRAHAM	39		1	
GRANVILLE	49		3	
GREENE	31		1	
GUILFORD	205		7	

FIGURE NO. 7-2A. CONTINUED
SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31,1988

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
HALIFAX				
HARNETT	1,401	422	13	1
HAYWOOD	130	36	3	1
HENDERSON	560		11	3
HERTFORD				
HOKE	116		3	
HYDE				
IREDELL	1,330	42	36	4
JACKSON	1,122	568	6	1
JOHNSTON	425	129	15	3
JONES				
LEE	1,010	813	5	2
LENOIR	1,138		10	
LINCOLN	202		3	
MACON	248		3	
MADISON	390		1	
MARTIN				
McDOWELL	60		1	
MECKLENBURG	6,897	1,652	82	21
MITCHELL	41		1	
MONTGOMERY	275		2	
MOORE	6,500	2,611	17	2
NASH	44		2	
NEW HANOVER	8,815	1,931	87	28
NORTHAMPTON				
ONSLOW	3,668	4,201	25	24
ORANGE	333		7	
PAMLICO				
PASQUOTANK				
PENDER	285	188	2	3
PERQUIMANS	827		1	
PERSON	47		1	
PITT	351	326	4	2
POLK	0		1	
RANDOLPH	974	310	20	6
RICHMOND	3		1	
ROBESON				
ROCKINGHAM	628	275	9	1
ROWAN	2,698	1,604	36	2
RUTHERFORD	5,305	332	10	1

FIGURE NO. 7-2A. CONTINUED
SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31,1988

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
SAMPSON	52		1	
SCOTLAND	861	32	7	1
STANLY	173		9	
STOKES	178	195	3	2
SURRY	1,150		32	
SWAIN	11		1	
TRANSYLVANIA	3,276	1,835	5	2
TYRRELL				
UNION	155	807	6	6
VANCE	73		3	
WAKE	13,846	1,231	249	32
WARREN				
WASHINGTON				
WATAUGA	980	141	14	1
WAYNE	2,222		20	1
WILKES				
WILSON	539		11	
YADKIN	31		2	
YANCEY	195		2	
GRAND TOTAL	121,654	32,293	1,349	233

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
A-1 Utilities	Wake	W-871	$18,048		0		2	
A & B Water Company	Catawba	W-819	0		21		2	
Acqua, Inc.	Catawba	W-270	9,280		100		1	
All Star Mobile Home Park	Wake	W-628	0	$0	237	220	1	1
Alpha Utilities, Inc.	Wake	W-862	12,635	0	91		7	
Alternative Waste Treatment	Mecklenburg	W-839		26,999		3		1
Anderson Creek Homes Water System	Harnett	W-724	19,045		190		1	
Anderson, Wayne	Rowan	W-566	1,185		8		1	
Associated Realty & Investment, Inc.	Watauga	W-384	7,019		79		1	
Associated Utilities, Inc.	New Hanover	W-303	73,806	83,599	625	518	3	3
Avalon Water System, Inc.	Randolph	W-382	2,198		18		1	
BRTR, Inc.	Henderson	W-762	7,770		81		2	
B & C Corporation	Brunswick	W-924	1,031		60		1	
Bald Head Island Utilities, Inc.	Brunswick	W-798	34,851	72,025	302	275	1	1
Barrier Grain Company	Cabarrus	W-688	2,858		18		1	
Bayview Water Works	Beaufort	W-565	7,804		96		1	
Beacon's Reach Master Associates	Carteret	W-659		46,572		426		1
Bermuda Run Country Club	Davie	W-707		49,071		207		4
Bess, Craig, Inc.	Gaston	W-281	89,553		509		8	
Bethlehem Utilities, Inc.	Alexander	W-259	42,981		297		4	
Big, Inc.	Transylvania	W-486	29,092		131		3	
Billingsley, W. D. & J. T.	Rockingham	W-632	3,360		35		1	
Birchwood Farms	Cumberland	W-656	14,646		129		1	
Blue Creek Utilities	Onslow	W-857		256,363		77		4
Blue Farm Water System	Moore	W-926	3,31		19		1	
Bolick, Albert L.	Catawba	W-430	1,83		19		1	
Bradshaw Water Company	Gaston/Mecklen.	W-103	14,543		94		6	
Brick Landing Utility Corporation	Brunswick	W-817		,927		0		1
Brightwater Water Department	Henderson	W-151	11,004		112		1	
Brindle's Well Drilling Company	Gaston	W-228	6,339		77		2	
Brookside Water Company	Haywood	W-330	4,558		28		1	
Brookwood Water Corporation	Cumberland	W-177	549,716		6,147		38	
Brown, E. S.	Buncombe	W-732	5,985		17		1	
Browning Enterprises	Henderson	W-569	11,479		67		1	
Burnett Construction Company, Inc.	Mecklenburg	W-892	92,369	24,984	476	173	3	1
C & L Utilities, Inc.	New Han./Pender	W-535	28,687	12,528	303	58	4	2
C.N.& H. Corporation	Wilson	W-685	5,265		76		1	
CAC Utilities, Inc.	Wake	W-812		58,086		0		5
CWB Utilities, Inc.	Onslow	W-852		15,276		20		1
Cape Fear Utilities, Inc.	New Hanover	W-297	511,536	209,264	3,174	937	44	14
Cardinal Estates Water System	Catawba	W-701	876		8		1	
Carolina Blythe Utility Company	Brunswick	W-503	138,153	183,074	662	639	1	1
Carolina Lakes Corporation	Lee	W-879	14,338	14,002	127	127	1	1
Carolina Pines Utility Company, Inc.	Craven	W-870	7,000	28,961	0	13	0	1
Carolina Water Service of North Carolina	(1)	W-354	3,104,339	1,339,518	15,785	4,929	103	27

(1) This Company serves the following Counties: Alleghany, Avery, Buncombe, Cabarrus, Caldwell, Carteret, Cherokee, Craven, Cumberland, Currutuck, Forsyth, Gaston, Johnston, Lee, Macon, Madison, Mecklenburg, Montgomery, Moore, Pender, Union, Watauga, Wayne, and Yancey.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Carolina Trace Corporation	Lee	W-436	$98,594	$94,990	747	686	1	1
Castor Court Water Company, Inc	Cabarrus	W-423	4,215		16		1	
Chimney Rock Water Works	Rutherford	W-102	12,230		82		1	
Clearwater Utilities, Inc.	(1)	W-846	72,744		543		11	
Cleveland Water Systems	Cleveland	W-301	15,569		160		1	
Cline, H.C., Building & Supply Company, Inc.	Catawba	W-418	5,546		47		1	
Coastal Carolina Utility, Inc.	New Hanover	W-917	6,562	3,428	50	23	2	2
Coastal Plains Utilities Company	New Hanover	W-215	111,984		631		5	
Community Water Works, Inc.	Iredell	W-316	14,549		77		2	
Compass Utilities	Wake	W-885	5,000	5,274	0	0	2	2
Conner Homes Corporation	Carteret	W-343	4,416		47		1	
Coral Park Community Well	Lincoln	W-717	2,016		12		1	
Corriher Water Service, Inc.	(2)	W-233	146,407		1,203		24	
Cowan Valley Estates Water System	Jackson	W-829	3,138		30		1	
Crater Water System	Mecklenburg	W-185	3,975		53		1	
Cross-State Development Company	Ashe	W-408	4,138		151		3	
Cumberland Water Company	Cumberland	W-169	297,857	24,999	1,217	251	4	1
D & W Water Systems	Gaston	W-929	13,407		112		2	
Davis, Roy & Virginia	Wilson	W-631	5,254		45		1	
Duan Water Works, Inc.	Catawba	W-346	0		52		1	
Duchess Forest Water Supply	Columbus	W-324	2,646		34		1	
Duke Power Company	Rutherford	W-094	2,429,142		4,132		3	
Eagle Heights Utility Company	Buncombe	W-826	2,171		10		1	
East Rutherford Water System, Inc.	Rutherford	W-527	2,550		30		1	
Elk River Development Corporation	Avery	W-803	14,099	12,302	110	62	1	1
Emerald Plantation Utility Company	Carteret	W-843		1,650		17		1
Etowah Sewer Company	Henderson	W-933		0		0		1
Fairbrook Utility Company	Catawba	W-674	1,080		18		1	
Fairview Water System	Wake	W-902	11,056		120		1	
Fairway Acres Water Systems	Caldwell	W-260	5,299		53		2	
Fairway Utilities, Inc.	New Hanover	W-787	11,747	29,910	130	130	1	1
Falls, Ralph L., Water Systems	Gaston	W-268	34,342		374		6	
Falls Utility Company	Wake	W-785	3,240	2,315	26	24	1	1
Farm Water Works	Lee	W-844	2,780		19		1	
Fearrington Utilities	Chatham	W-661		25,522		250		1
Fisher Utilities	Johns./Lee/Wake	W-365	248,502		747		18	
Flanders Filters, Inc.	Beaufort	W-542	2,508		15		1	
Flat Mountain Estates Water System, Inc.	Macon	W-726	9,874		34		1	
Fleetwood Falls, Inc.	Ashe	W-368	12,048		105		1	
Forest Hills Water System	Surry	W-340	18,692		112		1	
Forest Hills Water System	Yadkin	W-935	1,198		9		1	
Fox Fire Water System	Gaston	W-725	1,104		4		1	
Foxhall Village Utilities	Wake	W-777	19,620	29,431	252	252	1	1
Franklinville Waste Treatment	Randolph	W-905		8,259		33		1

(1) This Company serves Durham, Franklin, and Wake Counties.
(2) This Company serves Cabarrus, Catawba, Iredell, Mecklenburg, and Rowan Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
G & F Construction	New Hanover	W-940		$0		1		1
Gaither Water Company	Iredell	W-621	$295		0		1	
Gallagher Trails Enterprises	Gaston	W-603	4,110		37		1	
Gaston Builders, Inc.	Gaston	W-737	4,148		37		1	
Gensinger, John W.	Wake	W-549	6,885		27		1	
Glynwood Mobile Home Park	New Hanover	W-454	7,206		88		1	
Goodman, Richard L.	Cabarrus	W-912		2,934		19		1
Goose Creek Utility Company	Mecklen/Union	W-369	31,373	41,565	98	197	1	1
Goss Utilities	(1)	W-457	6,209		382		7	
Grandfather Golf & Country Club Utility, Inc.	Avery	W-755	27,953	39,959	181	170	2	2
Grandview Water Company, Inc.	Stokes	W-183	19,760		105		1	
Greenfield Heights Development Company, Inc.	Craven	W-205	5,705		25		1	
Green Spring Valley Mobile Estates	Wake	W-897	70,489	60,003	290	290	1	1
Gresham's Lake Utility Company, Inc.	Wake	W-633	59,845	23,588	17	17	1	1
Grove Supply Company	Rowan	W-587	2,106		21		1	
H & A Water Services, Inc.	Stanly	W-510	840		10		1	
H & H Development Company	Greene/New Han.	W-315	1,792	16,440	31	45	1	1
H & M Water Company, Inc.	Carteret	W-147	12,808		88		2	
Hare, John E.	Wake	W-417	2,819		15		1	
Harmony Heights Water Company	Hoke	W-896	9,931		89		1	
Hart Water Systems, Inc.	Catawba	W-739	24,148		172		2	
Harward's Realty & Insurance Company	Cabarrus	W-710	2,936		28		1	
Hasty Water Utilities, Inc.	Wake	W-736	853,300		4,332		69	
Havelock Development Corporation	Craven	W-223	43,013		180		1	
Hawkins, Paul T., Company, Inc.	Rutherford	W-550	23,606		318		2	
Hazelwood Water Company, Inc.	Edgecombe	W-749	5,958		66		1	
Heater Utilities, Inc.	(2)	W-274	932,522		7,686		136	
Hefner Builders, Inc.	Alexander	W-480	1,104		0		1	
Hendrix-Barnhill Company, Inc.	Pitt	W-658	4,722		40		1	
Hensley Enterprises, Inc.	Gaston	W-089	337,739		1,990		35	
Heritage Water Company, Inc.	Wake	W-679	19,222		105		1	
Hickory Hills Service Company, Inc.	Lenoir	W-460	24,902		242		1	
High Hampton, Inc.	Jackson	W-574	10,244		85		1	
Hilltop Subdivision Water System	Burke	W-863	2,106		13		1	
Holbrook, Mrs. M.L.	Gaston	W-433	2,523		26		1	
Holiday City Mobile Home Park	Onslow	W-913	29,248	32,465	378	378	1	1
Holiday Island Properties	Perquimans	W-386	62,275		827		1	
Hollandale Water Company	Gaston	W-419	3,728		30		1	
Holly Hills Water	Jackson	W-855	2,427		15		1	
Holt, Edgar L., Subdivision Water System	Cabarrus	W-606	1,632		16		1	
Homestead Community Water	Pitt	W-452	5,708		37		1	
Honeycutt Water System	Gaston	W-472	11,946		72		3	
Honey Hill Water Company	Columbus	W-420	2,468		26		2	
Hooper Valley Water Company	Henderson	W-794	7,457		55		1	
Horse Creek Farms Utility Corporation	Onslow	W-888		3,676		21		1

(1) This Company serves Chatham, Durham, and Person Counties.
(2) This company serves Alamance, Durham, Franklin, Harnett, Johnston, Orange, Vance, Wake, and Wayne Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Hudson Cole Development Corporation	Chatham	W-875	$6,323	$9,125	27	27	2	2
Huey, Wade	Buncombe	W-614	900		15		1	
Huffman, H. C., Water Systems, Inc.	(1)	W-095	57,119		463		12	
Hunter Water Company	Mecklenburg	W-534	11,358		125		2	
Hydraulics, Ltd.	(2)	W-218	682,934		2,241		52	
Hyland Hills Development Group	Moore	W-920	5,950		55		1	
Ideal Mobile Home Park	Wake	W-748	3,076		24		1	
Independence Water System	Union	W-858	3,300		20		1	
Inlet Bay Utilities	New Hanover	W-828	13,487	20,515	120	149	2	3
Jackson Hamlet Water Company	Moore	W-575	16,133		123		1	
Jackson, Harold L.	Wilson	W-494	720		15		1	
Jackson Utility Company	Jackson	W-448	189,311	130,295	877	568	1	1
Jamestown Water Corporation	Catawba	W-745	17,200		100		1	
Jewell, Gordon A.	Buncombe	W-651	3,946		34		1	
Johnston-Wake Utilities	Johnston/Wake	W-906	6,103		69		3	
Jones Dairy Farm Corporation	Wake	W-898		11,178		78		1
Jones, J. W.	Gaston	W-422	718		11		1	
Jones, Vernon	Lenoir	W-620	2,915		36		1	
Joyceton Water Works, Inc.	Caldwell	W-004	123,892		159		1	
Juniper Water Company	Mecklenburg	W-868	4,903		42		1	
Kannapolis Water Company	Rowan	W-934	1,107,655	2,781,506	1,542	1,553	1	1
Kenmure	Henderson	W-904		0		0		1
Killian Water System	Catawba	W-298	1,817		27		1	
Kings Grant Water Company	New Hanover	W-250	173,178		1,944		7	
Kirk Glen, Inc.	Buncombe	W-838	2,208		25		1	
Kitty Hawk Utilities, Inc.	Dare	W-859		0		0		3
L & L Construction, Inc.	Burke	W-854	4,745		30		1	
LaGrange Waterworks Corporation	Cumberland	W-200	685,817		4,589		30	
Lakeland Village Water	Columbus	W-394	2,645		49		1	
Lake Summit Corporation	Henderson	W-058	14,781		66		1	
Laurel Woods Water System	Gaston	W-694	5,576		65		1	
Lee, Ira D. and Associates	Wake	W-876	4,706	7,083	63	63	1	1
Lewis Water Company, Inc.	Gaston	W-716	43,980		402		12	
Lewis Water Systems	Gaston	W-288	9,419		142		1	
Liberty Water Works, Inc.	Cumberland	W-954	3,600	3,600	40	40	1	1
Lincoln Water Works	Lincoln	W-335	22,042		123		1	
Linville Ridge	Avery	W-766	36,129		221		1	
Little, C. F., Construction Company	Cabarrus	W-921	5,445		49		1	
Lone Pine Water Company	Edgecombe	W-451	20,668		59		1	
Looper, Clark Russell	Caldwell	W-501	2,546		17		1	

(1) This Company serves Burke, Caldwell, and Catawba Counties.
(2) This Company servces Alamance, Carteret, Catawba, Chatham, Durham, Forsyth, Guilford, Moore, Orange, Randolph, Rockingham, Rowan, Stokes, and Surry Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
MAM Water & Sewer Corporation	Durham	W-772	$0	$58,518		281	1	1
M.D. Square, Inc.	Wake	W-338	1,205		22		1	
The Marmarose Company	Craven	W-865	7,912		87		2	
Marper, Inc.	Henderson	W-770	7,730		55		1	
Matthews, B. E., Construction Co.	Catawba	W-641	2,706		20		1	
Mauney, William K.,Jr.	Mecklenburg	W-560	4,643		44		3	
Maxwell Water Company	Cumberland	W-339	3,757		34		1	
McCullers Pines Subdivision	Wake	W-727	2,625		14		1	
McMahon, Harold	Randolph	W-791	5,855		62		1	
McRee, William E.	Catawba	W-562	2,880		24		1	
Mercer Environmental Corporation	Onslow	W-198	301,583	201,231	1,579	628	12	4
Mid South Water Systems	(1)	W-720	783,869	92,157	4,317	559	110	21
Miller, R.B., Jr.	Caldwell	W-493	2,703		23		1	
Millner Water Systems	Caswell	W-695	4,391		32		2	
Milstead Community Water System	Alexander	W-718	1,345		16		1	
Mineral Springs Mountain Water Supply	Burke	W-576	7,321		39		1	
Mobile Heights Water System	Cumberland	W-960	2,915		36		1	
Montclair Water Co., Inc.	Cumberland	W-173	436,790	553,043	3,839	2,891	19	15
Morlan Park Water Company, Inc.	Rowan	W-042	1,317		20		1	
Mountains Utility Company	Rutherford	W-808	123,729	86,422	629	332	1	1
Mulkey Homesites Water System	Cherokee	W-818	9,815		112		2	
Nags Head Village Service, Co., Inc.	Dare	W-882		22,625		64		1
Nero Utilities	Wake	W-881	0	0	0	0	1	1
Neuse Crossing Utilities	Wake	W-937	0	0	0	0	1	1
Niagara Water Company	Moore	W-059	2,390		25		1	
North Topsail Water & Sewer	Onslow	W-754		205,335		1,141		1
Northeast Craven Utility Company	Craven	W-696	159,512	180,810	2,569	2,537	1	1
North State Utilities, Inc.	Durh/Meck/Wake	W-848		0		49		10
Northwestern Woods Well System	Cabarrus	W-860	3,371		22		1	
Northwood Developers of Orange County	Orange	W-690	9,355		80		1	
Norwood Beach Water Systems	Stanly	W-498	7,366		59		2	
Oak Ridge Water Systems, Inc.	Johnston	W-841	2,154		13		1	
Ogden Village Utilities	New Hanover	W-836		3,971		9		1
Old Farm Water System, Inc.	Rowan	W-568	7,298		79		1	
Outer Banks Beach Club, Inc.	Dare	W-887		51,023		12		1
Overhills Water Company	Cumberland	W-175	45,818		302		1	
P & H Water Company, Inc.	Cumberland	W-257	15,235		149		4	
Parrish & Weathers	Wake	W-880		19,227		112		2
Pate, Z. V., Inc.	Scotland	W-67	72,458		563		1	
Patterson, James D.	Gaston	W-276	3,425		28		1	
Paysours Water Works, Inc.	Gaston	W-278	7,666		92		1	
Pen Properties	Onslow	W-586	5,997		75		2	
Peppertree Atlantic Beach Associates	Carteret	W-834		1,046		1		1
Perrytown Water System	Bertie	W-594	2,004		15		1	

(1) This Company serves the following Counties: Alexander, Burke, Cabarrus, Catawba, Cleveland, Forsyth, Gaston, Henderson, Iredell, Lincoln, McDowell, Mecklenburg, Mitchell, Polk, Rowan, Rutherford, and Union.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Pied Piper Resort, Inc.	Cherokee	W-893	$3,488		29		1	
Piedmont Carolina Construction, Inc.	Franklin	W-768	1,822		19		1	
Piedmont Construction & Water Company, Inc.	(1)	W-262	561,288		2,408		56	
Piedmont Estates Water System	Randolph	W-581	8,110		96		1	
Pinehurst Enterprises	Moore	W-006	498,010	$1,058,278	3,253	2,423	1	1
Pines Utilities, Inc.	Onslow	W-822		59,520		248		1
Pinnacle, Inc.	Harnett	W-922	0		19		1	
Pleasant Gardens Water Department	Alexander	W-702	5,542		30		1	
Poplar Terrace Mobile Home Park	Buncombe	W-775	630	0	11	11	1	1
Powder Horn Utilities, Inc.	Watauga	W-478	13,496		171		4	
Prior Construction Company, Inc.	Wake	W-567	22,907		106		1	
Proctor Water Works	Gaston	W-663	2,131		17		1	
Quality Water Supplies, Inc.	New Hanover	W-225	242,576	14,196	1,611	119	18	2
Randolph Mills	Randolph	W-536		8,923		33		1
R.O.E. Water Utility	Buncombe	W-820	3,785		22		1	
Ratchford, Brady W., Jr.	Gaston	W-444	5,803		48		1	
Rayco Utilities	(3)	W-899	67,353	71,806	335	618	6	9
Ridgecrest Baptist Conference Center	Buncombe	W-071	12,552		283		1	
River Run Utilities	Brunswick	W-853		16,713		18		1
Riverbend Estates Water System	Macon	W-390	17,628		91		1	
Rivercreek Utility Company	Pitt	W-930	1,213		19		1	
Riverhills, Inc.	Pitt	W-461	0	6,822	0	71	0	1
Riverview North Utilities	Wake	W-758	9,078		69		1	
Riviera Utilities of North Carolina	Franklin	W-665	116,532		4,797		2	
Rock Barn Water System	Catawba	W-747	22,158		106		1	
Rock Creek Environmental Company	Onslow	W-830		1,548		10		1
Rockingham Realty Co., Inc.	Rockingham	W-704	4,078		36		2	
Rolling Hills Mobile Home Park	Gaston	W-903	6,292		41		1	
Rolling Springs Water Company, Inc.	Harnett	W-313	100,598	51,920	1,064	422	8	1
Rose Hill Associates Water Company	Pitt	W-677	16,711	16,711	255	255	1	1
Ross, Sanford E.	Haywood	W-618	872		28		1	
Ruff Water Company, Inc.	Gaston	W-435	110,452		538		10	
S & H Corporation of Wake County	Wake	W-806	1,610		11		1	
SRME Water System	Beaufort	W-733	5,197		52		1	
Sanders Water Company	Mecklenburg	W-532	2,272		46		1	
Scientific Water and Sewerage Company, Inc.	Onslow	W-176	177,060	249,202	1,161	1,208	6	6
Scotland Water Company	Scotland	W-426	34,295		244		4	
Scotsdale Water and Sewer, Inc.	(2)	W-883	94,200		562		11	
Sea Isle Water System	Dare	W-900	0		18		1	
Sehorn Water Supply, Inc.	Cabarrus	W-773	3,555		21		1	
Sentry Utilites, Inc.	Onslow	W-811		27,840		150		2
Setzer Brothers Well Boring, Inc.	Catawba	W-360	22,394		133		3	
Seven Lakes Utilities, Inc.	Moore	W-955	193,304		958		1	

(1) This Company serves Alexander, Catawba, and Iredell Counties.
(2) This Company serves Cumberland, Hoke, and Wake Counties.
(3) This Company serves Alamance, Cabarrus, Forsyth, Franklin, Randolph, Rowan, and Stokes Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Shamrock Water Corporation	Catawba	W-432	$5,521		63		1	
Sherwood Forest Utility, Inc.	Transylvania	W-706	13,340	$4,500	0	25		1
Sherwood Forest Community Water System	Union	W-646	1,418		12		1	
Silver Maples Mobile Estates	Cabarrus	W-776	810	3,572	7	29	1	1
Skyland Drive Water System	Gaston	W-642	2,520		21		1	
Skyview Water System, Inc.	Gaston	W-293	7,461		68		1	
Smawley, Elon	Burke	W-333	3,065		30		1	
Smith, R. Wiley	Buncombe	W-792	8,605		29		1	
South Mountain Water Works	Burke	W-866	3,869		35		1	
South Rowan Investment Corporation	Rowan	W-607	1,568		18		1	
Spring Hill Water Corporation	Scotland	W-247	4,315		19		1	
Spring Water Company	Onslow/Wake	W-337	24,013		155		2	
Springdale Water Company	Haywood	W-406	12,019	7,683	74	36	1	1
Springs Industries, Inc.	Scotland	W-650	2,746	2,713	35	32	1	1
Spring Valley Water System	Catawba	W-425	1,002		18		1	
Stony Brook Estates Water System	Johnston	W-295	5,470		32		1	
Stony Oaks Water System	Gaston	W-782	927		8		1	
Sunset Park Utilities, Inc.	Cumberland	W-178	60,825	22,732	409	206	2	1
Surry Water Company, Inc.	(1)	W-314	210,269		1,026		28	
TET Utility Company, Inc.	Carteret	W-759		56,995		321		2
T.P.G. Utilities, Inc.	Transylvania	W-675	8,746		49		1	
T-Square Water Company	Forsyth	W-918	45,685		250		1	
Tarlton Real Estate Corporation	Catawba	W-657	9,125		119		1	
Terres Bend Water	Cabarrus	W-821	4,676		20		1	
Tobacco Branch Village, Inc.	Graham	W-504	1,350		39		1	
Transylvania Utility Company	Transylvania	W-378	170,851	113,901	3,096	1,810	1	1
Treasure Cove Water Company	New Hanover	W-445	18,805		197		1	
Trexler Water System	Rowan	W-505	7,408		103		1	
Tri-South Construction Company, Inc.	Davie	W-849	525		11		1	
Triangle Construction Company	Iredell	W-842	2,793		20		1	
Tulbert, Stephen E.			1,800		10		1	
Turner, T.H. Farms, Inc.		W-687	29,960		207		4	
Umstead Water Company	Wake	W-282	4,307		20		1	
Utility Systems, Ltd.	Wake	W-463		11,215		89		1
Valleydale Water Company	Gaston	W-272	4,438		46		1	
Vance Rural Water Systems, Inc.	Vance	W-890	2,533		36		2	
Viewmont Acres Water System	Buncombe	W-856	3,626		17		1	
Viking Utilities, Inc.	Onslow	W-740		29,869		320		1
Vila Pump Company	Moore	W-945	3,767		34		1	
WPM Associates	Wake	W-878		9,288		37		1
W & K Enterprises	Catawba	W-611	3,380		43		2	
Wagner, Charles W.	Caldwell	W-889	1,680		19		1	
Wake Utilities, Inc	Wake	W-891	0	0	0	0	1	0
Wastewater Services	Ashe	W-869	3,994	6,005	42	41	1	1

(1) This Company serves Davidson, Rowan, and Surry Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1988

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Water, Inc.	Cumberland	W-216	$15,993		129		1	
Webb Creek Water and Sewer, Inc.	Onslow	W-864		$0		0		1
Weber Debelopment Company	Avery	W-589	0		9		1	
West Wilson Water Company	Wilson	W-781	18,313		203		6	
Western Utilities Corporation	Stanly	W-229	0		0		4	
Westgate Utilities Company, Inc.	Wake	W-239	1,056		8		1	
White, Billy	Bertie	W-600	300		12		1	
Willow Creek Builders, Inc.	Davidson	W-387		24,809		92		1
Wilson, Mitchell B.	Rockingham	W-602	8,799		59		2	
Wilson Water Service	Granville	W-554	3,134		49		3	
Wilson Water Systems	Wilson	W-698	16,533		134		1	
Windham Mobile Home Park	Orange	W-804	1,319		13		1	
Windsor Lake Water Company	Wilson	W-523	5,970		66		1	
Woodhaven Water System	Henderson	W-805	2,901		49		1	
Woodlake Utilities, Inc.	Moore	W-789	63,918	56,682	254	188	1	1
Woods Water Works, Inc.	Surry	W-735	3,695		32		4	
Yadkin Water Corporation	Yadkin	W-585	2,881		22		1	
Yost, J.M.	Rowan	W-514	1,656		11		1	
Zemosa Acres Water System	Cabarrus	W-744	70,725		263		2	
Total			$19,883,044	$9,269,112	115,649	31,394	1,249	212

N/A--Not Available
*Total Number of Current Companies--324

FIGURE NO. 7-4

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1987

Company	County	Docket Number	Date of Data	Annual Revenues		Number of Customers		Number of Systems	
				Water	Sewer	Water	Sewer	Water	Sewer
Alamance Village Utility	Alamance	W-671	----	$0		0		1	
Baker Water Services, Inc.	Richmond	W-756	1987	380		3		1	
Bellview Water System, Inc.	Cleveland	W-684	1979	299		6		1	
Bess Brothers, Inc.	Gaston	W-331	1986	11,359		221		5	
Buffaloe Water System	Wake	W-635	1983	2,716		27		1	
Campen Carolina Corporation	Henderson	W-911	1987	0		0		1	
Clear Meadow Water, Inc.	Mecklenberg	W-715	1982	3,895		40		2	
Clear Flow Utilities, Inc.	Rockingham	W-351	1981	3,869	$7,141	389	275	1	1
Colony Park Utilities Company	Durham	W-208	1981		567		22		1
Colony Water of Morehead City, Inc.	Carteret	W-654	1979	2,450		31		1	
Combs, Robert F.	Iredell	W-328	1978	2,268		39		3	
Community Utilities, Inc.	Moore	W-845	1986	119,673		783		4	
Cook, L.V., Water Supply	Stanly	W-540	1979	5,965		104		2	
Country Hills Water Company	Union	W-609	1987	3,728		34		1	
Crestview Water Company	Lenoir	W-325	1987	38,987		357		1	
Dees & Tyndall, Inc.	Wayne	W-973	----		0		0		1
Dillard Grading Company	Jackson/Swain	W-340	1978	6,332		85		2	
Dockery's Water System	Gaston	W-721	1985	12,684		133		2	
Duncan, Gordon	Gaston	W-483	1987	1,136		14		1	
Edwards Millwork & Builder	Nash	W-134	1986	4,177		44		1	
Emerald Village Water System	Wake	W-184	1984	3,554		46		1	
Eno Industrial Sewage Facility	Durham	W-763	1987	3,569	3,645	103	73	1	1
Environmental Pollution Control, Inc.	Dare	W-774	1983		43,157		166		1
Evans, Leroy	Bertie	W-594	1986	900		15		1	
FDB, Inc.	Henderson	W-544	1983	70		11		1	
Falling Creek Water Company	Lenoir	W-590	1985	29,262		351		4	
Forest Acres Water Company	Alexander	W-626	1987	2,608		22		1	
Forrest, Tony P.	Alexander	W-318	1976	1,319		18		1	
Genoa Water Systems, Inc.	Wayne	W-321	1986	113,355		811		9	
Gower, Jerry, Construction Company	Wake	W-465	1983	1,740		18		1	
Harrco Utility Corporation	Wake	W-796	----	0	29,376	0	0		3
Harnett Lakes Water Company, Inc.	Harnett	W-210	1986	9,845		82		1	
Home Realty Co. & Insurance	Cabarrus	W-521	1986	2,275		42		1	
Horse Shoe Sewer Company	Henderson	W-916	1987		0		0		1
Huffman, George W.	Catawba	W-424	1978	1,546		36		1	
Lad, Inc.	Cabarrus	W-722	1984	9,429	12,425	107	107	2	2
Lake Terrace Water System, Inc.	Cleveland	W-683	1978	0		33		1	
Matlock, T.L., Jr.	Alexander	W-624	1986	2,868		45		2	
McRae Construction Company, Inc.	Anson	W-466	1984	963		62		1	

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1987

Company	County	Docket Number	Date of Data	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Mobile Hill Estates Water System	Wake	W-515	1985	$3,864		42		1	
Moss, James H.	Jackson	W-760	1985	4,467		41		1	
Moss Hill Water Works Company	Sampson	W-459	1986	8,237		52		1	
Mount Vernon Park Water System	Lenoir	W-072	1985	9,503		152		3	
Mountain Group	Avery	W-752	1984	31,858	$0	171	31	1	1
Mullis, Giles E.	Cabarrus/Rowan	W-547	----	5,664		44		5	
Oak Wood Water Company	Onslow	W-655	1987	8,551		81		1	
Oyster Bay Utilities	Brunswick	W-831	----		0		0		1
Parris, Steddy Durbin, Jr.	Union	W-563	1980	2,345	1,269	59	59	2	2
Pelican Trace	Brunswick	W-833	----		0		0		1
Precision Utility Limited	Wake	W-832	----		0		0		1
Quail Hollow Water System	Cleveland	W-427	1979	1,552		27		1	
Regalwood Water Company	Onslow	W-187	1987	8,753		136		1	
Riverview Water System	Moore	W-723	1987	3,902		33		1	
Rollingwood Water System, Inc.	Cleveland	W-428	1979	8,188		64		1	
S & G Development Corporation	Onslow	W-800	1984	17,280		120		1	
Shiloh Water Company	Catawba	W-619	1979	1,140		20		1	
Simco, Inc.	Union	W-356	1979	1,732		30		1	
Stewart, Paul A.	Gaston	W-414	1980	4,137		124		2	
Tarts Investment Corportion	Harnett	W-741	1987	2,237		31		1	
Timberlake, William J.	Nash	W-290	1983	0		0		1	
Touch & Flow Water Systems	Randolph	W-201	1984	46,204	3,618	261	67	6	1
Twin Lake Properties	Wake	W-914	----	0		1		1	
United Systems Company	Mecklenburg	W-886	----		0		0		1
Vander Water Company	Cumberland	W-488	1986	23,077		219		3	
Veterans Drive Community Water System, Inc.	Alamance	W-118	1987	2,512		30		1	
Waller, Louis C., M.D.	Buncombe	S-001	1982		3,920		49		1
White Oak Community Water System	Cleveland	W-520	1986	3,250		52		1	
White Oak Utilities, Inc.	Johnston	W-861	1986	4,558	6,059	53	50	1	1
Wright, Lee & Deloris	Rowan	W-909	1987	0		50		1	
TOTAL				$606,232	$111,177	6,005	899	100	21

N/A--Not Available
Total Noncurrent Companies--69

FIGURE NO. 7-5

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1988

ITEM	Brookwood Water Corporation	Duke Power Company	Hasty Water Company	Heater Utilities	Hydraulics Limited	La Grange Waterworks Corporation	Piedmont Construction & Water Company	Total
INCOME STATEMENT ITEMS:								
Total Revenue	$549,716	$2,429,142	$853,300	$932,522	$682,934	$685,818	$561,288	$6,694,720
Operation & Maintenance Expenses	$440,775	$967,937	$783,174	$504,058	$561,940	$514,916	$392,277	$4,165,077
Depreciation & Amortization Expenses	91,699	266,174	20,035	115,618	77,655	93,352	72,333	736,866
Federal & State Income Taxes	86,303		190,341	72,118	5,861	4,109	13,871	372,603
Other Taxes	46,992	187,414	53,080	62,815	20,785	33,887	36,494	441,467
Total Operating Expenses	$665,769	$1,421,525	$1,046,630	$754,609	$666,241	$646,264	$514,975	$5,716,013
Net Operating Income	($116,053)	$1,007,617	($193,330)	$177,913	$16,693	$39,554	$46,313	$978,707
Operating Ratio	121.1%	58.5%	122.7%	80.9%	97.6%	94.2%	91.7%	85.4%
Other Income & Expense (Includes Interest)	(5,503)	0	2,722,159	(46,286)	3,303	(14,323)	1,679	2,661,029
Net Income	($121,556)	$1,007,617	$2,528,829	$131,627	$19,996	$25,231	$47,992	$3,639,736
BALANCE SHEET ITEMS:								
Gross Plant in Service	$3,182,818	$13,525,121	$123,771	$9,333,977	$592,413	$2,163,804	$874,074	$29,795,978
Less Depreciation Reserve	944,525		42,385	2,278,612	189,907	622,353	516,302	4,594,084
Net Plant in Service	$2,238,293	$13,525,121	$81,386	$7,055,365	$402,506	$1,541,451	$357,772	$25,201,894
*Contributions in Aid of Construction	$2,500,037		$0	$1,238,485	$1,491,905	$1,228,032	$0	$6,458,459
*Plant Acquisition Adjustment	$113,881		$0	($2,906,124)	$0	($8,166)	$0	($2,800,409)
STATISTICS:								
Total Customers	6,147	4,132	4,332	7,686	2,241	4,589	2,408	31,535
Total Water Consumption (000s gallons)	480,979	1,508,774	386,857	3,034,752	132,903	495,800	135,148	6,175,213
Operation & Maintenance Expense Per Total Customer	$71.71	$234.25	$180.79	$65.58	$250.75	$112.21	$162.91	$132.08
Total Expense per Total Customer	$108.31	$344.03	$241.60	$98.18	$297.30	$140.83	$213.86	$181.26
Gross Plant Investment per Total Customer	$517.78	$3,273.26	$28.57	$1,214.41	$264.35	$471.52	$362.99	$944.85
Depreciation Expense as % of Gross Plant	2.9%	2.0%	16.2%	1.2%	13.1%	4.3%	8.3%	2.5%
Residential Revenue (Metered)	$502,952	$723,117	$831,611	$928,776	$402,705	$510,904	$468,493	$4,368,558
Residential Customers (Metered)	5,229	3,491	4,296	3,865	2,135	4,589	2,134	25,739
Residential Water Used (Metered)(000s gallons)	480,979	210,316	378,456	3,034,752	132,903	495,800	135,148	4,868,354
Average Gallons Used Per Residential Customer	91,983	60,245	88,095	785,188	62,250	108,041	63,331	189,143
Average Revenue per Residential Customer	$96.19	$207.14	$193.58	$240.30	$188.62	$111.33	$219.54	$169.73

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.

FIGURE NO. 7-6

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1988

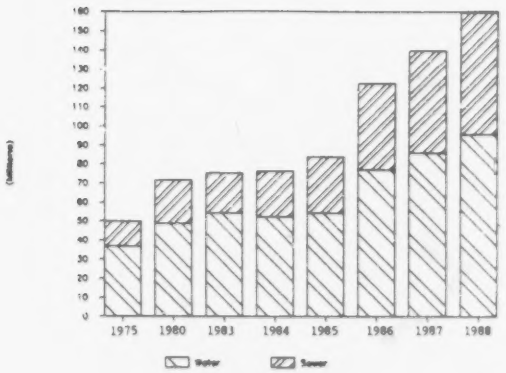
ITEM	Cape Fear Utilities Inc.	Carolina Blythe Utility Company	Carolina Water Service of N.C., Inc.	Mercer Environmental Corporation	Mid-South Water System	Montclair Water Company	Pinehurst Enterprises	Total
INCOME STATEMENT ITEMS:								
Total Revenue	$720,800	$321,227	$4,422,397	$502,814	$876,026	$989,833	$1,556,288	$9,389,385
Operation & Maintenance Expenses	$460,632	$272,029	$3,294,720	$407,848	$699,924	$935,375	$963,634	$7,034,162
Depreciation & Amortization	116,122	6,831	402,387	13,768	69,657	106,668	93,933	809,366
Federal & State Income Taxes	83,363	0	(84,781)	11,810	0	0	68,994	79,386
Other Taxes	50,479	15,254	307,014	33,973	67,755	76,747	106,359	657,581
Total Operating Expenses	$710,596	$294,114	$3,919,340	$467,399	$837,336	$1,118,790	$1,232,920	$8,580,495
Net Operating Income	$10,204	$27,113	$503,057	$35,415	$38,690	($128,957)	$323,368	$808,890
Operating Ratio	98.6	91.6	88.6	93.0	95.6	113.0	79.2	91.4
Other Income & Expense (Includes Interest)	60,077	(79,438)	(526,078)	2,184	67,698	4,170	(224,082)	(695,469)
Net Income	$70,281	($52,325)	($23,021)	$37,599	$106,388	($124,787)	$99,286	$113,421
BALANCE SHEET ITEMS:								
Gross Plant in Service	$4,785,523	$258,000	$36,320,184	$1,831,082	$619,895	$3,552,763	$4,056,247	$51,423,694
Less Depreciation Reserve	878,710	63,370	2,561,664	632,421	130,066	1,265,456	1,197,335	6,729,022
Net Plant in Service	$3,906,813	$194,630	$33,758,520	$1,198,661	$489,829	$2,287,307	$2,858,912	$44,694,672
*Contributions in Aid of Construction	$3,032,831	$325,492	$16,904,209	$1,449,755	$0	$3,670,226	$498,396	$25,880,909
*Plant Acquisition Adjustment	$0	$0	($2,056,830)	$435,074	$0	$0	$0	($1,615,756)
STATISTICS:								
Total Customers	3,174	662	15,785	1,579	4,317	3,839	3,253	32,609
Total Water Consumption (000s gallons)	299,164	33,355	N/A	113,558	N/A	320,869	409,687	1,176,633
Operation & Maintenance Expense Per Total Customer	$145.13	$410.92	$208.72	$258.30	$162.13	$243.65	$296.27	$215.71
Total Expense per Total Customer	$223.88	$444.28	$248.30	$296.01	$193.96	$291.43	$379.01	$263.13
Gross Plant Investment per Total Customer	$1,507.73	$389.73	$2,300.93	$1,159.65	$143.59	$925.44	$1,246.92	$1,576.98
Depreciation Expense as % of Gross Plant	2.4%	2.6%	1.1%	0.8%	11.2%	3.0%	2.3%	1.6%
Residential Revenue (Metered)	$461,679	$80,050	$2,997,941	$289,683	N/A	N/A	$436,938	$4,266,291
Residential Customers (Metered)	3,122	662	16,110	1,580	N/A	N/A	3,253	24,727
Residential Water Used (Metered)(000s gallons)	279,073	33,355	N/A	113,558	N/A	N/A	409,687	835,673
Average Gallons Used Per Residential Customer	89,389	50,385	N/A	71,872	N/A	N/A	125,941	33,796
Average Revenue per Residential Customer	$147.88	$120.92	$186.09	$183.34	N/A	N/A	$134.32	$172.54

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.
N/A--Not Available

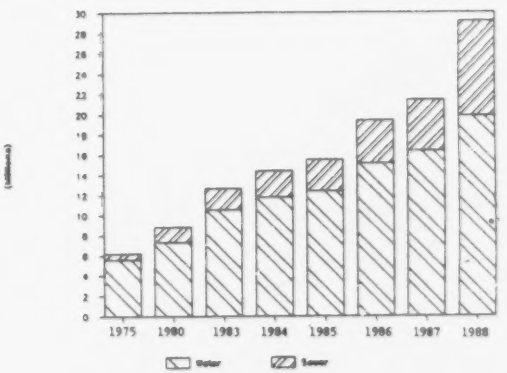
FIGURE NO. 7-7

PLANT, REVENUE, AND CUSTOMER GROWTH OF ALL REGULATED
WATER & SEWER COMPANIES IN NORTH CAROLINA
FOR THE YEARS 1975, 1980, 1983, 1984, 1985, 1986, 1987, & 1988

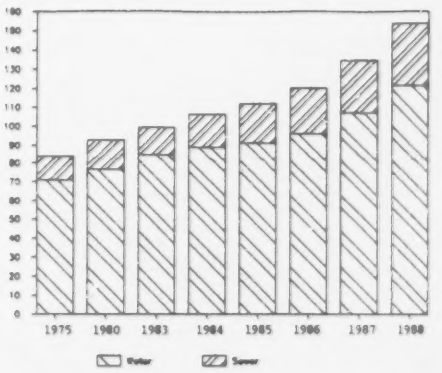
PLANT GROWTH



REVENUE GROWTH



CUSTOMER GROWTH



		1975	1980	1983	1984	1985	1986	1987	1988
Water:	Plant	$37,000,000	$48,855,000	$54,257,660	$52,500,253	$54,351,108	$77,183,496	$ 86,025,584	$95,928,419
	Revenues	$ 5,600,000	$ 7,324,000	$10,568,833	$11,805,041	$12,414,477	$15,109,945	$ 16,373,061	$20,489,276
	Customers	71,000	76,581	84,992	89,186	91,232	96,269	107,145	121,654
Sewer:	Plant	$13,000,000	$22,514,000	$21,172,699	$23,804,493	$29,495,306	$45,289,998	$ 53,917,245	$63,715,795
	Revenues	$ 600,000	$ 1,543,000	$ 2,081,889	$ 2,595,220	$ 3,093,387	$ 4,283,345	$ 5,062,260	$ 9,380,289
	Customers	13,000	16,187	14,564	17,354	20,810	23,885	27,660	32,293
Number of Companies		349	398	375	378	386	380	383	393

FIGURE NO. 7-8

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL WATER & SEWER SERVICE IN NORTH CAROLINA
AT AUGUST 31, 1989

Publicly Owned Systems	WATER Nonregulated Systems - Inside City Limits 3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$10.16	$18.76	$27.36
Charlotte	4.17	6.89	$9.61
Greensboro	2.64	5.28	$7.92
Raleigh	5.57	9.73	$13.89
Wilmington	5.16	10.32	$15.48
Winston-Salem	2.93	5.86	8.78
Average-(Simple)	$5.11	$3.55	$13.84

Privately Owned Systems Regulated by Commission (Class B or Larger)	WATER Regulated Systems - Inside Service Area 3,000 gal.	6,000 gal.	9,000 gal.
Brookwood Water corporation	$5.00	$6.65	$8.30
Duke Power Company	12.52	19.59	26.66
Hensley Enterprises, Inc.	8.55	13.05	17.55
LaGrange Waterworks Corporation	5.52	8.04	10.56
Piedmont Construction & Water Company	13.00	19.60	27.46
Quality Water Supplies, In.c	6.20	9.80	13.40
Surry Water Company, Inc.	13.81	19.87	25.93
Average-(Simple)	$9.23	$13.80	$18.55

	SEWER Nonregulated Systems - Inside City Limits 3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$12.16	$16.16	$20.16
Charlotte	5.21	8.97	12.73
Greensboro	3.48	6.96	10.44
Raleigh	4.42	7.86	11.30
Wilmington	6.84	13.68	20.52
Winston-Salem	2.69	5.37	8.06
Average-(Simple)	$5.80	$9.83	$13.87

Privately Owned Systems Regulated by Commission (Class B or Larger)	SEWER Regulated Systems - Inside Service Area 3,000 gal.	6,000 gal.	9,000 gal.
Associated Utilities, Inc.	$14.47	$14.47	$14.47
Cape Fear Utilities, Inc.	20.00	20.00	20.00
Carolina Blythe Utility Company	12.30	18.60	24.90
Carolina Water Service of North Carolina	20.50	20.50	20.50
Mercer Environmental Corporation	20.59	20.59	20.59
Montclair Water Company, Inc.	10.49	14.93	19.37
Transylvania Utility Company	7.50	12.00	16.50
Average-(Simple)	$15.12	$17.30	$19.48

VIII. Securities, Audits, And Annual Reports

A. SECURITIES ISSUES

The Commission approved 11 applications for the issuance of electric, gas, and telephone securities and borrowings during 1989 compared with 9 applications in 1988. The 1988 and 1989 applications covered $1,225,572,000 and $1,064,109,600 respectively.

The securities applications are processed by personnel in the Finance, Statistics, and Fiscal Affairs Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider many factors such as: (1) the present and projected earnings position of the company, (2) the effect of the projected issue on the company's capital structure, (3) the expense of the issue, (4) the estimated net yield, (5) the probable market price per unit, (6) the purpose of the issue, (7) the use to which the proceeds are to be applied, (8) whether the issue is compatible with the overall public interest, and (9) the merits of the proposed method of marketing the securities; i.e., by competitive bidding, negotiations, or private placement.

The new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely for new utility plant construction, modernization, and improvement of existing plant to meet increased demands for additional and improved service. Figure No. 8-1 shows detailed data for each securities issue approved by the Commissioners in 1989.

B. AUDITS AND EXAMINATIONS--COMMENTS

Personnel of the Commission's Public Staff Accounting Division perform extensive audits of the operations of public utilities. The results of each of these audits are a part of the Public Staff's position on matters before the Commission, and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1988 follows:

Utility & Type Audit	1988 No. of Exams
Electric	
General Rate Case	1
Fuel Clause Cases	3
Gas	
General Rate Case & Earnings Investigation	1
Change in Cost of Purchased Gas, Exploration Refunds	20
Telephone	
General Rate Case	0
Toll Revenue Increase	0
Water and Sewer	24
Motor Freight and Motor Passenger Operating Ratios and Tariffs	120
Total	169

C. ANNUAL REPORTS--COMMENTS

For the years 1987 and 1988, there were 1,721 and 1,747 utilities, respectively, required to file annual reports of their operations with the Commission. This number includes 80 nonregulated municipal utility systems. The regulated utilities and the municipal utility systems' annual reports required to be filed with the Commission are prepared on forms furnished to them by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail by the Accounting personnel of the Public Staff for compliance with the Uniform System of Accounts.

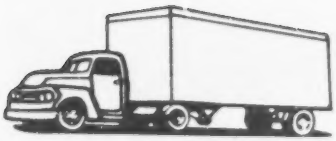
FIGURE NO. 8-1
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1989
AMOUNTS AUTHORIZED FOR TOTAL COMPANY OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES: ORDER	ACTIVITY DATES: CLOSING	PRICE PER SHARE OR STATED INTEREST RATE	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
ELECTRIC:													
Carolina Power & Light Company	E-2 Sub 549	1st Mortgage Bonds 9.60% Due April 1, 1991	C	$100,000,000	1-12-89	4-26-89	9.60%	$100,000,000	$126,000	9.626%	9.638%	$99,604,000	Proceeds used to refinance high interest debt.
	E-2 Sub 568	Common Stock 7,500,000 Shares	I	$300,000,000	9-12-89								Shares to be used in a leveraged ESOP that qualifies under Section 4975(e)7 of the IRS code of 1986, as amended.
	E-2 Sub 570	Long Term Debt - Not To Exceed $300,000,000 Can be a Secured Medium Term Note Program	I	$300,000,000	1-8-90								Proceeds may be used to purchase in the open market 6,810,101 shares of CP&L common stock used in leveraged ESOP and redeem higher coupon o/s debt if the market affords the opportunity.
Duke Power Company	E-7 Sub 454	Commercial Paper 2-3 yr. Average life backed by Revolving Credit Facility with group of Commercial Banks	P	$130,000,000	8-10-89	9-1-89	Market Rate						Proceeds to be used to redeem Company's outstanding balance of existing Fuel Trusts Notes and purchase additional nuclear fuel or other utility assets as needed. Credit agreement executed effective 9-1-89.
	E-7 Sub 457	Medium Term Notes (MTN)	O	$250,000,000	10-19-89								Authorized to issue and sell up to $250,000,000 of medium term notes at most favorable rates obtainable. Proceeds for use in on-going construction and maintenance programs, repayment of short-term debt and for refinancing.
TOTAL ELECTRIC COMPANIES				$1,080,000,000				$100,000,000	$126,000			$99,604,000	
GAS:													
Piedmont Natural Gas Company	G-9 Sub 292	Senior Notes @ 10.06% Due 6-30-2004	P	$20,000,000	6-6-89	6-15-89	10.06%	$20,000,000		10.06%		$20,000,000	Net proceeds used to reduce short-term debt used in financing capital expenditures.
		Senior Notes @10.11% Due 8-31-2004	P	$40,000,000	6-6-89	8-31-89	10.11%	$40,000,000		10.11%		$40,000,000	$20,000,000 sold to Mutual Life Insurance Company of New York. $40,000,000 sold to Teachers Insurance and Annuity Association of America.
Public Service Company of N. C.	G-5 Sub 242	Common Stock 200,000 shares used in Employee Stock Purchase Plan	I		2-1-89								Shares to be sold to employees once a year at a price equal to 90% of the lowest average price of stock as recorded on stock exchange for the period of five trading days during the offering period.

FIGURE NO. D-1 CONTINUED
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1989
AMOUNTS AUTHORIZED FOR TOTAL COMPANY OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES		PRICE PER SHARE OR STATED INTEREST RATE	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
					ORDER	CLOSING							
GAS Continued:													
Public Service Of N.C. Continued	G-5 Sub 243	Common Stock 1,000,000 Shares for use in Automatic Dividend Reinbursement Stock Purchase Plan (The Plan)	I		2-22-89								Shares to be issued and sold to participants in the plan as needed. Proceeds to be used for Plant expansion and general Corporate purposes.
	G-5 Sub 258	10% Senior Debentures due 2004	P	$43,000,000	12-1-89	12-5-89	10.0%	$43,000,000	$170,000	10.0%	10.04%	$42,830,000	Proceeds used to refinance $10,000 of 12.26% Series L, 1st Mortgage Bonds due 1990 and to reduce short term loans used for construction purposes. Total Company long term debt weighted average interest rate reduced from 9.55% to 9.29%.
TOTAL GAS COMPANIES				$103,000,000				$103,000,000	$170,000			$102,830,000	
TELEPHONE:													
Comtel of Virginia, Inc.	P-28 Sub 647	1st Mortgage Bonds 20 Year 8.00% Series MM Due 2009	P	$40,000,000	11-22-89	12-13-89	8.00%	$40,000,000	$150,000	8.00%		$39,750,000	Proceeds used to repay interim loans used to finish construction-NC Portion (Knotts Island) represents less than 1% of total plant.
Randolph Telephone Company	P-61 Sub 72	REA - 35 Year Note 5% Interest Rate	N	$2,572,000	4-14-89		5.0%						Funds to be drawn down as needed after the construction has been completed.
TOTAL TELEPHONE COMPANIES				$42,572,000				$40,000,000	$150,000			$39,750,000	
GRAND TOTALS				$1,225,572,000				$243,000,000	$446,000			$242,184,000	

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive
B-Open



IX. The Transportation Industry - Motor Freight Carriers

MOTOR FREIGHT CARRIERS

A. CLASSIFICATION OF MOTOR FREIGHT CARRIERS

Motor freight carriers are divided into three groups according to annual operating revenues. In effect since January 1, 1980 (Docket No. M-100, Sub 68), carriers having annual carrier operating revenues of $5 million or more are Class I carriers. Class II carriers have annual carrier operating revenues of at least $1 million but less than $5 million. Carriers having annual carrier operating revenues of less than $1 million are considered Class III carriers. All motor freight carriers that have authority to operate in North Carolina are required to file an annual report with the North Carolina Utilities Commission. Failure to file this report could be grounds for the cancellation of their operating authority by the Commission. Enforcement and compliance with the filing of annual reports on a timely basis requires a continuing effort by Commission personnel. On December 31, 1988, there were 1,073 motor freight carriers with authority to operate in North Carolina. On December 31, 1988, there were 1,012 motor freight carrier annual reports filed with the North Carolina Utilities Commission. Twenty-eight of the carriers requested cancellation in 1989 and did not file a 1988 report.

B. DUTIES OF THE TRANSPORTATION DIVISION

INTRASTATE

The Commission Staff Transportation Division is charged with the economic regulation of all certified motor freight carriers operating within the borders of this State. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all intrastate transportation utility companies. In addition the Public Staff reviews all applications for new or amended rate tariffs. In contested rate cases, rulemaking investigations, abandonments, mergers, and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented ratemaking rules and procedures designed to provide cost-of-service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost data is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public in dealing with transportation matters.

C. COMMISSION ACTIVITIES

During 1988, a total of 105, or 43%, of the Commission's 246 formal hearings were related to the trucking industry; for 1987 the number of truck hearings was 100 and represented 39% of the 255 formal hearings. A recent amendment to the Public Utilities Act provides that if no protests are filed to the truck application, the hearing may be cancelled with the matter decided on sworn shipper affidavits. The majority of truck applications are decided in this manner. The Commission sometimes settles tariff filings and other filings based on Public Staff and Commission Staff studies and recommendations presented at Monday morning conference sessions.

D. IMPACT OF MOTOR CARRIER ACT OF 1980

A federal bill (Senate Bill 2245) to encourage the deregulation of the trucking industry was signed into law on July 1, 1980. The Motor Carrier

Reform Act of 1980 was designed to reduce unnecessary regulation by the Federal government. This act increases opportunities for firms in the trucking industry to operate without interference from the Federal government.

The Motor Carrier Reform Act of 1980 provided a three-year transition to the new regulatory environment with major changes in ratemaking beginning in July 1983. This act is Federal legislation and, therefore, affects only interstate commerce. The number of interstate vehicles registered with the N.C. Division of Motor Vehicles has increased significantly since the passage of the 1980 Motor Carriers Reform Act.

The following tabulation shows motor carriers which hold authority from the Commission classified by type:

Type	1987	1988
Common	743	812
Contract	180	197
Common and Contract	66	64
Total	989	1,073

"Common carrier by motor vehicle" means any person who holds himself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property of any class or classes thereof for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person who, under an individual contract or agreement with another person as may be approved by the Utilities Commission, engages in the transportation other than the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

E. SUMMARY OF OPERATING DATA

A list of the Class I and II motor freight carriers, with selected operating financial data is shown in Figure Nos. 9-1 and 9-2. Figure No. 9-3 provides a list of Class I and II carriers whose authority was granted in 1988. A summary of selected data for the Class I and II carriers for the 1988 calendar year is shown in Figure No. 9-4. It should be noted that the operating revenues for North Carolina are from freight moved on intrastate tariffs regulated by the North Carolina Commission only; therefore, they account for a very small percentage of the total revenues generated by this group of carriers. Reports for years prior to 1979 have shown total North Carolina revenues to be about 8% to 10% of total systemwide revenues. The prior years' data included revenues which were generated from freight moved on both North Carolina (intrastate) and Interstate Commerce Commission (interstate) tariffs.

A list of the Class III motor freight carriers, with total company revenues is shown in Figure No. 9-5. Figure No. 9-6 shows the Class III motor carriers whose authority was granted in 1988 and Figure No. 9-7 lists those carriers who were inactive in 1988.

A list for all requests for rate increases for 1988 is shown in Figure No. 9-8.

There were 762 Class III motor carriers, active and inactive, filing 1988 annual reports with the North Carolina Utilities Commission. Often useful data for many of the Class III carriers is not available and in many instances is nonexistent. Therefore, discretion should be exercised in using Class III data for comparative purposes. The reported data does not reflect information for all the certified Class III motor carriers operating in North Carolina.

FIGURE NO. 9-1

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
Mobile Home Movers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Barrett Mobile Home Transport, Inc.	$203	$318	$19,882	$18,054	$19,341	$17,454	$541	$600	97.3%	96.7%	3	7	$86	$104
Morgan Drive Away, Inc.	461	219	59,779	49,586	57,821	48,106	1,958	1,480	96.7%	97.0%	3	4	41	49
NTC of America, Inc.	1,202	775	39,017	42,233	38,862	41,257	155	976	99.6%	97.7%	4	0	54	0
Transit Homes of America, Inc.	27	113	24,425	17,898	24,556	17,150	(131)	748	100.5%	95.8%	0	1	0	11
Total	$1,893	$1,425	$143,103	$127,771	$140,580	$123,967	$2,523	$3,804	98.2%	97.0%	10	12	$181	$164
Household Goods Movers:														
Burnham Service Company, Inc.	$290	$115	$96,144	$93,879	$87,520	$83,120	$8,624	$10,759	91.0%	88.5%	136	141	$2,372	$2,682
Signal Delivery Service, Inc.	247	938	248,725	232,276	238,164	227,004	10,561	5,272	95.8%	97.7%	197	199	6,577	5,318
Stevens Van Lines, Inc.	0	0	14,473	16,663	13,544	16,026	929	637	93.6%	96.2%	0	0	0	0
Total	$537	$1,053	$359,342	$342,818	$339,228	$326,150	$20,114	$16,668	94.4%	95.1%	333	340	$8,949	$8,000
General Freight Carriers:														
AAA Cooper Transportation	$133	$161	$116,472	$92,113	$102,330	$83,262	$14,142	$8,851	87.9%	90.4%	81	64	$2,434	$1,829
ABF Freight System, Inc.	80	57	616,774	526,294	590,759	515,857	26,015	10,437	95.8%	98.0%	403	369	14,104	12,007
Action Transit Company	3	17	6,801	7,286	6,717	7,147	84	139	98.8%	98.1%	0	11	0	333
Alterman Transport Lines, Inc.	185	201	54,182	53,950	54,354	52,506	(172)	1,444	100.3%	97.3%	92	82	1,853	1,596
Anderson Truck Line, Inc.	170	2,234	6,075	7,447	6,205	7,069	(130)	378	102.1%	94.9%	146	169	2,739	3,313
Associated Petroleum Carriers, Inc.	3,878	3,762	35,596	32,818	35,688	33,319	(92)	(501)	100.3%	101.5%	0	0	0	0
Atlanta Motor Lines, Inc.	N/A	N/A	22,835	20,501	21,287	19,518	1,548	983	93.2%	95.2%	38	38	836	759
B & P Motor Lines, Inc.	0	0	16,841	15,374	15,638	14,690	1,203	684	92.9%	95.6%	202	135	3,329	2,559
B.I. Transportation, Inc.	595	135	66,735	73,964	58,342	64,972	8,393	8,992	87.4%	87.8%	632	661	17,564	18,105
Belue Trucking	72	7	7,253	6,252	6,881	6,066	352	186	95.1%	97.0%	14	8	284	115
Bennett Motor Express, Inc.	41	393	35,869	21,049	29,794	20,438	6,075	611	83.1%	97.1%	0	0	0	0
Billings Freight Systems, Inc.	458	499	19,413	19,972	18,639	18,554	774	1,418	96.0%	92.9%	239	262	6,426	6,591
Blue Ridge Transfer Company, Inc.	649	0	34,527	35,593	34,068	35,104	459	489	98.7%	98.6%	100	90	2,213	1,910
Boone, The A.G., Company	2,876	4,019	9,902	11,247	10,004	10,623	(102)	624	101.0%	94.5%	107	126	2,928	3,387
Bowman, D. M., Inc.	0	0	38,665	26,421 (B)	39,132	24,642	(467)	1,779	101.2%	93.3%	145	107	4,068	2,788
Brown Transport Corporation	5,336	0	245,397	179,306	265,753	184,517	(20,356)	(5,211)	108.3%	102.9%	1,275	464	27,227	8,070
Brown Transport Truckload, Inc.	28		42,559	16,923 (A)	36,612	15,563	5,949	1,360	93.1%	91.9%	56	24	1,088	253
Builders Transport, Inc.	5,146	1,869	203,843	106,386	195,762	103,347	8,081	3,039	96.0%	97.1%	318	190	6,629	3,895
Bulldog Trucking, Inc.	998	551	41,823	30,471	38,240	26,124	3,583	4,347	91.4%	85.7%	69	56	1,387	1,122
Burton Lines, Inc.	1,215	1,639	11,526	11,379	11,271	10,967	255	412	97.8%	96.4%	95	93	2,183	1,996
Byrd Motor Line, Inc.	9,751	9,793	9,751	9,793	9,664	9,571	87	222	99.1%	97.7%	205	200	3,927	3,769
C & H Nationwide Transportation Company	8	10	69,021	81,149	83,537	88,940	(14,516)	(7,791)	121.0%	109.6%	3	15	67	309
C & N Evans Trucking Co., Inc.	22	0	14,386	15,238	13,946	15,203	440	35	96.9%	99.8%	160	150	2,497	3,074
CMH Transportation, Inc.	996	232	7,308	8,456	6,322	6,540	986	1,916	86.5%	77.3%	0	0	0	0

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Cabarrus Consolidating & Management Company	$171	$142	$7,276	$8,099	$7,135	$8,086	$141	$13	98.1%	99.8%	72	79	$1,682	$1,783
Caldwell Freight Lines, Inc.	1,285	1,273	12,713	10,910	10,766	8,879	1,947	2,031	84.7%	81.4%	196	175	4,367	3,712
Carolina Freight Carriers Corporation	1,165	855	531,557	472,630	505,972	448,306	25,585	24,324	95.2%	94.9%	2,870	2,674	86,253	79,962
Catawba Trucking Company, Inc.	0	0	6,535	6,868	5,467	5,926	1,068	942	83.7%	86.3%	0	0	0	0
Central Transport, Inc.	1,892	2,375	52,465	51,958	50,749	49,672	1,716	2,286	96.7%	95.6%	256	255	7,745	7,525
Chemical Leaman Tank Lines, Inc.	3,988	3,200	214,424	202,359	208,280	196,602	6,144	5,757	97.1%	97.2%	101	88	2,985	2,853
Coast Refrigerated Trucking Company, Inc.	149	80	10,837	10,187	10,767	10,203	70	(16)	99.4%	100.2%	30	26	659	671
Colonial Freight Systems, Inc.	105	132	49,794	42,242	47,940	40,454	1,854	1,788	96.3%	95.8%	22	28	520	574
Colonial Motor Freight Line, Inc.	800	1,500	11,720	17,730	14,617	19,638	(2,897)	(1,908)	124.7%	110.8%	140	225	3,926	5,460
Conoco, Inc.	1,417	2,286	88,696	78,067	61,759	62,214	26,937	15,853	69.6%	79.7%	62	50	1,753	1,406
Consolidated Freightways Corp. of Delaware	110	122	1,749,180	1,555,217	1,643,352	1,478,501	105,828	76,716	93.9%	95.1%	950	863	28,744	25,627
Cresco Lines, Inc.	0	0	18,966	20,007	18,623	19,337	343	670	98.2%	96.7%	0	0	0	0
Crete Carrier Corporation	0	0	95,939	89,008	91,261	83,939	4,678	5,069	95.1%	94.3%	0	0	0	0
Custom Deliveries	411	392	24,490	25,736	23,232	25,392	1,258	344	94.9%	98.7%	15	2	248	20
Custom Transport, Inc.	1,501	1,404	6,938	6,673	6,383	6,093	555	580	92.0%	91.3%	90	89	2,061	2,077
Decato Brothers, Inc.	11	11	9,589	10,505	9,366	10,266	223	239	97.7%	97.7%	8	5	148	88
DeWitt, L.G., Trucking Company, Inc.	0	0	23,299	24,690	26,344	27,982	(3,045)	(3,292)	113.1%	113.3%	336	391	4,386	5,566
Dixie Trucking Company, Inc.	7,068	6,430	9,925	8,955	9,123	8,546	802	409	91.9%	95.4%	179	156	4,916	4,340
Douglas & Sons, Inc.	103	17	8,399	7,740	8,477	7,611	(78)	129	100.9%	98.3%	105	88	2,098	1,883
Eagle Transport Corporation	5,119	4,454	18,015	13,383	17,322	12,470	693	913	96.2%	93.2%	107	92	2,609	2,206
Electric Transport, Inc.	0	0	14,529	11,900	13,156	11,203	1,373	697	90.5%	94.1%	0	0	0	0
Epes Transport System, Inc.	861	685	15,919	15,169	14,910	15,129	1,009	40	93.7%	99.7%	84	78	1,919	1,769
Estes Express Lines	11,445	11,424	88,446	79,518	73,460	67,991	14,986	11,527	83.1%	85.5%	650	848	16,265	15,441
Fleet Transport Company, Inc.	1,270	1,206	72,683	61,890	73,767	64,178	(1,084)	(2,288)	101.5%	103.7%	31	26	521	404
Food Carrier, Inc.	511	660	8,375	9,570	7,993	9,232	382	338	95.4%	96.5%	0	0	0	0
Forbes Transfer Company, Inc.	1,199	622	8,185	6,741	7,752	6,512	433	229	94.7%	96.6%	61	54	1,013	855
Fredrickson Motor Express Corp.	24,015	20,885	41,404	40,951	41,484	40,392	(80)	559	100.2%	98.6%	738	791	17,387	17,717
Frito-Lay, Inc.	0	0	6,786	6,192	118,237	98,835	(111,451)	(92,643)	1742.4%	1596.2%	1,701	1,698	45,907	38,830
Fulton, Arthur H., Inc.	665	585	31,187	25,098	29,843	23,112	1,344	1,986	95.7%	92.1%	67	95	1,284	1,944
G & P Trucking Company, Inc.	2,081	180	15,085	10,996	14,102	10,292	983	704	93.5%	93.6%	19	13	N/A	304
Gabler, H.C., Inc.	102	108	12,594	12,667	12,535	12,722	59	(55)	99.5%	100.4%	9	11	204	241
Gaines Motor Lines, Inc.	1,149	4,259	16,408	17,727	12,788	14,481	3,620	3,246	77.9%	81.7%	134	140	3,498	3,407
Glass Container Transport	5,149	270	19,805	9,003	18,851	8,345	954	658	95.2%	92.7%	157	93	3,593	1,569
Glosson Freightways, Inc.	32	113	4,776	5,249	(4,865)	5,094	9,641	155	-101.9%	97.0%	76	87	1,517	1,668
Graham, David, Company	1,641	1,576	13,283	15,067	12,900	14,777	383	290	97.1%	98.1%	15	13	312	234
Great Coastal Express, Inc.	2,761	2,853	36,812	35,179	31,520	31,994	5,292	3,185	85.6%	90.9%	40	40	1,028	1,070
Green Arrow Motor Express Co.	457	162	9,327	8,727	9,249	9,356	78	(629)	99.2%	107.2%	0	0	0	0
Greenwood Motor Lines, Inc.	996	679	15,734	13,844	16,017	13,060	(283)	784	101.8%	94.3%	74	66	1,704	1,275
Guignard Freight Lines, Inc.	386	375	8,388	8,824	8,299	8,903	89	(79)	98.9%	100.9%	82	92	1,922	1,926
Gypsum Haulage, Inc.	0	0	13,162	14,762	14,441	15,114	(1,279)	(352)	109.7%	102.4%	0	0	0	0
H & M Trucking Co., Inc.	0	0	8,146	8,808	7,968	7,683	178	1,125	97.8%	87.2%	73	68	2,097	1,975
Harris Transport Company	185	133	13,690	16,971	14,264	15,991	(574)	980	104.2%	94.2%	17	4	262	84

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Herman Brothers, Inc.	$0	$0	$22,017	$19,718	$22,074	$19,903	($57)	($185)	100.3%	100.9%	0	0	$0	$0
Holly Farms Poultry Industries, Inc.	942	739	23,653	20,668	26,537	23,792	(2,884)	(3,124)	112.2%	115.1%	205	206	6,911	6,445
Howe Run, Inc.	388	385	9,673	8,075	8,811	7,371	862	704	91.1%	91.3%	5	4	95	63
Hornady Truck Line, Inc.	0	803	23,391	16,728	21,992	15,375	1,399	1,353	94.0%	91.9%	0	0	0	0
Howell's Motor Freight, Inc.	67	65	9,277	8,106	8,839	7,768	438	338	95.3%	95.8%	99	95	1,841	1,450
Huss, Inc.	N/R	41	N/R	12,115	N/R	12,025	N/COMP	90	N/COMP	99.3%	N/R	0	N/R	0
Independent Freightway, Inc.	140	42	130,802	116,765	127,552	112,753	3,250	4,012	97.5%	96.6%	5	5	171	146
Indianhead Truck Line, Inc.	0	0	12,080	11,803	11,635	10,809	445	994	96.3%	91.6%	0	0	0	0
Infinger Transportation Co., Inc.	865	420	9,208	8,576	8,830	8,475	378	101	95.9%	98.8%	28	21	573	437
Iredell Milk Transportation, Inc.	478	530	6,726	6,763	6,675	6,712	51	51	99.2%	99.2%	51	60	1,237	1,317
J & S Truck Service, Inc.	0	0	10,551	11,097	10,462	10,989	89	108	99.2%	99.0%	129	127	3,003	2,791
Jefferson Trucking Company	1	3	15,771	14,633	14,995	13,929	776	704	95.1%	95.2%	0	0	0	0
Kenan Transport Company	5,104	5,331	43,652	38,518	40,407	34,451	3,245	4,067	92.6%	89.4%	249	244	7,127	6,745
Kenosha Auto Transport Corporation	N/R	N/A	N/R	51,772	N/R	50,534	N/COMP	1,238	N/COMP	97.6%	N/R	N/A	N/R	N/A
Keystone Freight Corporation	1,780	619	25,007	24,049	25,321	21,449	(314)	2,600	101.3%	89.2%	0	25	0	596
Koch Service, Inc.	265	169	91,956	88,059	74,114	74,115	17,842	13,944	80.6%	84.2%	3	3	66	66
L & J Motor Lines, Inc.	0	0	5,801	6,619	6,019	7,073	(218)	(454)	103.8%	106.9%	118	128	2,162	2,659
L.R.C. Truck Lines, Inc.	45	59	8,842	8,523	13,362	11,255	(4,520)	(2,732)	151.1%	132.1%	0	0	0	0
Landair Transport, Inc.	6	49	30,324 (B)	19,330	30,189	18,826	135	504	99.6%	97.4%	61	36	765	500
Lawrence Transportation Systems, Inc.	537	418	12,270	10,318	13,574	11,505	(1,304)	(1,187)	110.6%	111.5%	141	151	2,327	1,755
Leaseway Customized Transport, Inc.	0	0	26,135	25,518 (B)	24,259	24,664	1,876	854	92.8%	96.7%	8	9	174	186
Leaseway Deliveries, Inc.	0	0	34,874	48,922	39,087	48,753	(4,213)	169	112.1%	99.7%	0	0	0	0
Lebarnold, Inc.	144	81	12,678	9,543	11,113	8,729	1,565	814	87.7%	91.5%	25	26	679	582
Liquid Transporters, Inc.	1,423	236	37,765	33,888	35,703	32,935	2,062	953	94.5%	97.2%	20	29	399	483
Logex	0	0	27,529	26,407	25,816	24,601	1,713	1,806	93.8%	93.2%	0	0	0	0
Lumber Transport, Inc.	19	18	12,595	12,150	11,865	11,312	730	838	94.2%	93.1%	0	0	N/A	0
MGM Transport Corporation	88	39	32,616	29,276	31,256	28,431	1,360	845	95.8%	97.1%	300	270	6,816	6,069
Matlack, Inc.	463	456	227,695	204,301	220,842	201,448	6,853	2,853	97.0%	98.6%	3	20	117	542
Mawson & Mawson, Inc.	0	0	15,685	14,888	15,449	14,477	236	411	98.5%	97.2%	0	0	0	0
McClendon, Glenn, Trucking	120	86	40,978	36,776	41,639	36,256	(661)	520	101.6%	98.6%	70	14	1,194	224
McGil Specialized Carriers, Inc.	281	219	58,015	51,285	56,760	49,976	1,255	1,309	97.8%	97.4%	5	4	116	81
Melton Truck Lines, Inc.	1	6	45,182	47,937	44,787	47,749	395	188	99.1%	99.6%	4	7	64	105
Merchants Home Delivery Service, Inc.	0	0	78,137	62,431	71,809	56,649	6,328	5,782	91.9%	90.7%	0	0	0	0
Metler, A. J., Hauling & Rigging, Inc.	24	17	34,694	32,113	34,549	32,124	145	(11)	99.6%	100.0%	4	6	72	111
Mitchell Transport	N/A	N/A	26,493	25,269	28,634	27,532	(2,141)	(2,263)	108.1%	109.0%	0	0	0	0
Moss Trucking Company, Inc.	802	1,032	16,011	15,644	15,999	15,681	12	(37)	99.9%	100.2%	123	122	2,857	2,938
Motor Convoy, Inc.	0	0	N/A	128,611	N/A	127,524	N/A	1,087	N/A	99.2%	0	0	0	0
Murrow's Transfer, Inc.	611	374	10,194	9,843	9,732	9,293	462	550	95.5%	94.4%	171	159	3,789	3,522
National Freight, Inc.	43	107	143,918	135,358	151,385	131,957	(7,467)	3,401	105.2%	97.5%	22	26	555	564
North American Van Lines, Inc.	1,257	41	817,895	790,520	795,636	763,526	22,259	26,994	97.3%	96.6%	55	28	986	770
Nu-Car Carriers, Inc.	28	2	145,847	142,916	148,146	137,864	(2,299)	5,052	101.6%	96.5%	9	15	346	475
Observer, The Transportation Company	491	584	7,435	7,117	7,394	7,076	41	41	99.4%	99.4%	122	118	3,371	3,195
Old Dominion Freight Line, Inc.	1,835	1,959	114,786	106,324	109,472	106,212	5,314	112	95.4%	99.9%	980	750	17,171	16,255

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Oliver Trucking Company, Inc.	$0	$0	$5,126	$5,016	$4,883	$4,629	$243	$387	95.3%	92.3%	0	0	$0	$0
Overnite Transportation Company	7,540	7,358	638,486	543,125	555,881	472,079	82,605	71,046	87.1%	86.9%	1,107	1,082	28,421	26,656
PTS of Maryland	0	0	48,583	39,650	46,765	38,930	1,818	720	96.3%	98.2%	25	6	240	95
Parsons, G.G., Trucking Company	535	336	7,643	8,396	7,205	8,105	438	291	94.3%	96.5%	87	93	2,137	1,872
Pitt County Transportation, Inc.	288	307	3,330	3,447	3,224	3,185	106	262	96.8%	92.4%	34	40	862	883
Ploof Truck Lines, Inc.	895	3,798	38,562	36,045	32,665	30,650	5,897	5,395	84.7%	85.0%	46	55	1,036	980
Pony Express Courier Corporation	11,275	10,098	114,302	112,476	112,259	112,188	2,043	288	98.2%	99.7%	290	325	4,039	4,384
Purolator Courier Corporation	1,175	1,892	360,783	418,583	N/A	473,520	N/A	(54,937)	N/A	113.1%	N/A	181	N/A	2,474
Quality Carriers, Inc.	91	90	37,563	37,111	36,304	35,779	1,259	1,332	96.6%	96.4%	1	2	103	98
Redwing Carriers, Inc.	0	0	33,431	31,320	31,749	30,687	1,682	633	95.0%	98.0%	0	0	0	0
Roberts Express, Inc.	86	12	76,573	54,557	68,195	47,823	8,378	6,734	89.1%	87.7%	3	3	18	29
Ryder Distribution Resources, Inc.	973	1,116	251,755	206,462	246,707	202,541	5,048	3,921	98.0%	98.1%	25	30	735	391
Ryder Temperature Controlled Carriage, Inc.	N/R	36	N/R	53,722	N/R	53,959	N/COMP	(237)	N/COMP	100.4%	N/R	18	N/R	376
Santee Carriers, Inc.	402	380	15,976	16,193	15,641	16,232	335	(39)	97.9%	100.2%	58	46	950	865
Schwerman Trucking Company	29	6	38,084	43,687	36,888	41,525	1,196	2,162	96.9%	95.1%	0	4	0	105
Senn Trucking Company	0	0	20,527	19,106	20,631	18,482	(104)	624	100.5%	96.7%	N/A	N/A	N/A	N/A
SilverEagle Transport, Inc.	0	0	16,333	15,221 (B)	15,263	15,421	1,070	(200)	93.4%	101.3%	4	0	95	0
Skyline Transportation, Inc.	109	59	9,865	7,909	9,405	7,683	460	226	95.3%	97.1%	31	24	814	618
Smith, Aaron, Trucking Company, Inc.	N/A	862	6,670	6,628	6,680	6,605	(10)	23	100.1%	99.7%	123	112	1,296	1,287
Sooner Transport Corporation	202	150	29,120	33,725	30,932	35,526	(1,812)	(1,801)	106.2%	105.3%	197	166	4,407	3,550
Southeastern Freight Lines	6,993	6,021	119,984	104,082	110,717	98,136	9,267	5,946	92.3%	94.3%	506	425	14,662	13,065
Spartan Express, Inc.	2,380	2,198	68,765	62,475	74,787	69,110	(6,022)	(6,635)	108.8%	110.6%	311	292	7,668	7,319
Standard Trucking Company	9,772	13,256	41,744	38,837	40,155	40,736	1,589	(1,899)	96.2%	104.9%	493	479	12,965	12,724
Star Freight, Inc.	1,955	2,336	7,916	8,055	7,775	7,846	141	209	98.2%	97.4%	20	18	382	328
Stevens Freight Service, Inc.	3,717	3,163	18,868	19,065	19,144	19,072	(276)	(7)	101.5%	100.0%	38	35	910	874
Swing Transport, Inc.	2,092	2,238	6,686	6,314	6,031	5,706	655	608	90.2%	90.4%	91	87	2,010	1,882
TSC Express Company	1,070	170	18,952	16,955	18,848	16,788	104	167	99.5%	99.0%	15	15	401	277
Terminal Trucking Company, Inc.	5,725	5,710	8,581	8,559	6,982	6,177	1,599	2,382	81.4%	72.2%	160	145	3,201	3,065
Thomas, R.P., Trucking Company, Inc.	0	0	N/A	5,843	N/A	5,542	0	301	0.0%	94.8%	N/A	0	N/A	0
Thomas Produce Company of Mount Airy, Inc.	0	0	15,936	N/A	14,605	N/A	1,331	N/A	91.6%	N/A	0	0	0	0
Transport Service Company	182	255	31,617	28,363	29,010	25,968	2,607	2,395	91.8%	91.6%	4	5	72	97
Transport South, Inc.	289	329	11,930	7,390	10,561	7,290	1,369	100	88.5%	98.6%	9	3	177	95
Transus, Inc.	0	0	68,787	75,437	68,188	81,892	599	(6,455)	99.1%	108.6%	62	91	1,199	1,931
Tri-State Motor Transit Company	147	141	93,721	103,185	94,179	105,229	(458)	(2,044)	100.5%	102.0%	5	5	105	120
UTF Carriers, Inc.	N/R	0	N/R	9,963	N/R	9,968	N/COMP	(5)	N/COMP	100.1%	N/R	0	N/R	0
Underwood & Held Company, Inc.	56	15	10,342	8,744	9,660	8,440	682	304	93.4%	96.5%	115	110	2,796	2,481
United Parcel Service, Inc.	37,186	34,196	6,608,037	5,828,293	6,183,048	5,498,187	424,989	330,106	93.6%	94.3%	2,652	2,405	119,190	117,103
Vance Trucking Company	677	402	7,026	6,229	6,887	6,126	139	103	98.0%	98.3%	75	78	1,402	416

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Ward Trucking Corporation	$25	$60	$40,992	$37,911	$40,936	$39,778	$56	($1,867)	99.9%	104.9%	27	21	$772	$777
Watkins Motor Lines, Inc.	33	30	171,647	145,806	164,287	139,323	7,360	6,483	95.7%	95.6%	258	187	6,695	5,854
West Point Pepperell Transportation Company	1,041	1,229	24,785	27,890	22,725	21,732	2,060	6,158	91.7%	77.9%	70	37	2,023	1,029
Williamson Truck Lines, Inc.	849	0	5,271	5,791	5,579	5,782	(308)	9	105.8%	99.8%	62	94	1,395	1,491
Wilson Trucking Corporation	2,785	3,140	58,807	55,456	52,897	48,812	5,910	6,644	90.0%	88.0%	274	252	7,494	6,779
Wingate Taylor-Maid Transportation	65	86	65,661	56,275	59,328	53,037	6,333	3,238	90.4%	94.2%	2	71	63	1,538
Youngblood Truck Lines	0	0	19,338	19,267	18,745	19,818	593	(551)	96.9%	102.9%	157	159	3,774	4,310
Total	$231,727	$213,431	$16,895,278	$15,385,035	$15,765,622	$14,828,974	$1,129,656	$556,061	93.3%	96.4%	24,399	22,734	$657,917	$603,536
Grand Total	$234,157	$215,909	$17,397,723	$15,855,624	$16,245,430	$15,279,091	$1,152,293	$576,533	93.4%	96.4%	24,742	23,086	$667,047	$611,700

M/A--Not Available
N/R--No Report Filed
M/COMP--Not Comparable

(A) Partial year of operations
(B) Change in scope of operations

Grand Total Class I Motor Freight Carriers for:
1988 = 161
1987 = 160

FIGURE NO. 9-2

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
Household Goods Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Action Moving & Storage, Inc.	$97,184	$102	$1,426	$2,068	$1,243	$2,005	$183	$63	87.2%	97.0%	46	41	$567	$489
Admiral Transportation Services	1,038	990	2,099	1,802	1,968	1,672	131	130	93.8%	92.8%	39	37	745	626
Airway Moving & Storage, Inc.	111	143	2,366	2,671	2,499	2,629	(133)	42	105.6%	98.4%	49	63	773	926
Baucom's Transfer & Storage Company, Inc.	278	235	1,392	1,371	1,383	1,356	9	15	99.4%	98.9%	36	37	634	607
Carolina Moving & Storage, Inc.	157	146	1,333	1,627	2,277	2,237	(944)	(610)	170.8%	137.5%	30	35	683	672
Charlotte Van & Storage Company, Inc.	2,029	1,570	3,066	2,712	3,139	2,761	(73)	(49)	102.4%	101.8%	57	62	1,382	1,383
City Transfer and Storage Company	261	232	2,158	1,912	2,048	1,807	110	105	94.9%	94.5%	52	55	928	780
Clark Transfer Company, Inc.	107	93	505	1,503	497	1,473	8	30	98.4%	98.0%	9	37	96	413
DeHaven's Transfer & Storage, Inc.	39	55	1,145	1,243	1,100	1,075	45	168	96.1%	86.5%	40	40	593	563
Fayetteville Moving & Storage, Inc.	62	78	1,424	1,394	1,490	1,301	(66)	93	104.6%	93.3%	14	18	287	199
Horne Storage Company, Inc.	202	158	1,896	1,514	1,859	1,481	37	33	98.0%	97.8%	32	31	568	482
Jackson Moving & Storage Company, Inc.	319	319	1,083	1,080	1,059	1,057	24	23	97.8%	97.9%	24	25	379	379
Martin Transfer & Storage	N/R	384	N/R	1,685	N/R	1,781	N/COMP	(96)	N/COMP	105.7%	N/R	50	N/R	684
Piedmont Movers, Inc.	N/A	227	971	1,021	932	934	39	87	96.0%	91.5%	9	9	189	163
Ray Moving & Storage, Inc.	254	197	1,608	1,365	1,636	1,299	(28)	66	101.7%	95.2%	15	15	468	387
Security Storage Company, Inc.	312	220	3,166	2,607	3,126	2,530	40	77	98.7%	97.0%	64	60	903	738
Smith, M.H., Storage Warehouse, Inc.	247	256	2,313	1,815	2,106	1,831	207	(16)	91.1%	100.9%	34	52	451	780
Tru-Pak Moving & Storage, Inc.	111	96	9,124	4,596	6,281	3,400	2,843	1,196	68.8%	74.0%	110	75	1,909	1,172
United Merchants Trucking, Inc.	36	68	2,040	3,413	2,032	3,397	8	16	99.6%	99.5%	34	41	752	1,239
Washburn Storage Company	N/A	70	121	999	963	1,152	(842)	(153)	795.9%	115.3%	3	4	50	69
Weathers Brothers Transfer Co. of N.C.	733	0	1,781	1,729	1,636	1,659	145	70	91.9%	96.0%	69	84	681	678
Welch Moving & Storage	209		1,193	1,502	1,277	1,456	(84)	46	107.0%	96.9%	28	25	298	263
Wooldridge, J.C., Inc.	3	13	2,163	2,249	2,595	2,224	(342)	25	115.8%	98.9%	0	0	0	0
Young Moving & Storage, Inc.	112	130	5,231	3,984	5,569	4,000	(338)	(16)	106.5%	100.4%	26	15	374	251
Total	$103,804	$5,782	$49,604	$47,862	$48,625	$46,517	$979	$1,345	98.0%	97.2%	820	911	$13,709	$13,863
General Freight Carriers:														
Air Cargo Services, Inc.	$49	$64	$2,539	$2,382	$2,751	$2,658	($212)	($276)	108.3%	111.6%	60	60	$967	$932
American Parcel Service, Inc.	587	562	1,269	1,195	1,279	1,233	(10)	42	100.8%	96.5%	3	3	92	86
Ard's Trucking Company, Inc.	N/A	556	4,762	4,685	4,574	4,751	188	(66)	96.1%	101.4%	0	0	0	0
Barnett Truck Line, Inc.	584	257	1,596	1,646	1,823	1,724	(227)	(78)	114.2%	104.7%	28	33	512	548
Blue Ridge Trucking Company	1,172	1,307	3,908	3,942	3,922	4,054	(19)	(112)	100.5%	102.8%	69	69	2,105	1,930
Building Systems Transportation, Inc.	9	14	3,161	4,354	3,152	4,267	9	87	99.7%	98.0%	0	0	0	0
Bunch Trucking Company, Inc.	640	686	1,941	1,968	2,008	1,976	(67)	(8)	103.5%	100.4%	26	28	456	487
Burgess Transport, Inc.	299	249	5,801	4,271	5,413	4,257	388	14	93.3%	99.7%	106	32	993	812
Byrum, A.T. & Son, Inc.	110	150	2,385	2,534	2,289	2,469	105	65	95.6%	97.4%	28	31	601	615
CFI Transport, Inc.	68	79	3,383	3,768	3,217	3,195	166	573	95.1%	84.8%	30	32	748	850
Camp Trucking, Inc.	0	0	2,003	1,822	1,105	1,086	898	736	55.2%	59.6%	27	22	499	465
Cargo Transporters, Inc.	163	141	7,366	6,556	6,925	6,368	441	188	94.0%	97.1%	74	72	2,234	1,851
Cargocare Transportation Company	433	325	3,109	2,334	2,876	2,258	233	76	92.5%	96.7%	9	9	213	191
Carolina Carriers, Inc.	548	1,057	548	1,057	634	1,088	(86)	(31)	115.7%	102.9%	8	11	163	242

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA											
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Carolina Tank Lines, Inc.	$449	$288	$3,694	$3,321	$3,692	$3,279	$2	$42	99.9%	98.7%	42	37	$883	$729
Carrier Freight Lines, Inc.	1,406	19	7,032	7,035	7,943	7,446	(911)	(411)	113.0%	105.8%	115	102	2,684	2,512
Carroll's Transfer, Inc.	5	5	1,067	1,291	1,013	1,297	54	(6)	94.9%	100.5%	18	18	335	373
Carter, Robahlee	1,736	1,404	1,733	1,404	1,667	1,532	66	(128)	96.2%	109.1%	23	22	235	204
Cary Oil Company, Inc.	2,454	2,417	2,509	2,452	2,303	2,202	206	250	91.8%	89.8%	62	56	2,272	2,217
Cline, Phil, Trucking, Inc.	18	20	3,539	3,663	3,507	3,521	32	142	99.1%	96.1%	20	20	739	508
Coastal Transport, Inc.	2,475	2,435	2,951	2,702	2,966	2,635	(15)	67	100.5%	97.5%	27	30	729	675
Commercial Courier Express, Inc.	4,266	3,736	11,589	8,776	11,040	7,415	549	1,361	95.3%	84.5%	212	199	2,019	2,290
Continental Freight Systems, Inc.	0	0	2,451	2,070	2,391	2,020	60	50	97.6%	97.6%	0	0	0	0
Con-Way Southern Express, Inc.	3,287	897	24,623	5,724	28,343	12,230	(3,720)	(6,506)	115.1%	213.7%	210	83	6,167	2,551
Cooke Trucking Company, Inc.	0	0	4,347	3,981	4,213	3,854	134	127	96.9%	96.8%	85	70	1,655	952
Cox Trucking	N/R	388	N/R	2,127	N/R	2,176	N/COMP	(49)	N/COMP	102.3%	N/R	32	N/R	635
D & L Leasing & Diesel, Inc.	960	890	4,365	3,808	4,213	3,530	152	278	96.5%	92.7%	60	49	1,812	1,557
D & L Trucking, Inc.	1,034	1,607	2,321	2,834	2,089	2,551	232	283	90.0%	90.0%	41	54	1,242	1,031
Dairy Leasing Service, Inc.	1,169	0	1,502	2,501	1,625	2,740	(123)	(239)	108.2%	109.6%	20	26	313	552
Davie Truckers, Inc.	1,523	1,686	3,798	3,170	3,689	3,249	109	(79)	97.1%	102.5%	31	31	669	628
Dedeon, A.V., Trucking, Inc.	300	219	1,596	1,659	1,500	1,571	96	88	94.0%	94.7%	22	20	566	536
Dependable Tank Lines, Inc.	278	137	2,952	2,417	2,938	2,218	14	199	99.5%	91.8%	15	14	316	290
Dobson Trucking, Inc.	1,939	2	2,656	2,424	2,640	2,441	16	(17)	99.4%	100.7%	38	35	725	647
East Coast Transport Company, Inc.	1,272	1,066	1,937	1,819	1,823	1,726	114	93	94.1%	94.9%	32	32	654	579
Eastern Motor Lines, Inc.	0	0	3,254	3,212	3,159	3,093	95	119	97.1%	96.3%	4	4	285	155
Edeac Trucking Company, Inc.	350	452	2,765	2,259	2,708	2,210	57	49	97.9%	97.8%	47	40	809	643
Electronic Express, Inc.	101	84	1,694	1,556	1,629	1,539	65	17	96.2%	98.9%	3	3	85	82
Everette Express, Inc.	88	107	2,755	2,951	2,854	2,952	(99)	(1)	103.6%	100.0%	25	25	367	411
Ezzell Trucking, Inc.	717	470	5,222	3,997	3,951	3,037	1,271	960	75.7%	76.0%	58	42	1,217	874
Fanelli Bros. Trucking Company	N/R	0	N/R	4,662	N/R	4,640	N/COMP	22	N/COMP	99.5%	N/R	0	N/R	0
First American Carriers, Inc.	2,006	1,382	18,233	13,815	17,676	15,040	557	(1,225)	96.9%	108.9%	84	96	1,952	2,077
Fleming, J. Clint, Inc.	81	47	3,046	2,584	2,909	2,526	137	58	95.5%	97.8%	7	6	140	119
Forbes Refrigerated Transport, Inc.	21	28	1,128	1,103	1,098	1,062	30	41	97.3%	96.3%	13	13	263	265
Fowler, Maylon H., Contract Hauling, Inc.	118		4,155	4,175	4,070	4,035	85	140	98.0%	96.6%	85	65	1,372	1,257
Gallimore, D.P. and Sons, Inc.	0	0	3,780	3,583	3,810	3,365	(30)	218	100.8%	93.9%	47	47	658	N/A
Goggin Truck Line Company, Inc.	922	319	5,422	4,650	4,985	4,553	437	97	91.9%	97.9%	9	12	202	182
Groves, F.W., Trucking Company	520	415	1,811	2,078	1,955	2,078	(144)	0	108.0%	100.0%	34	33	578	560
H & S Truck Service of Ahoskie, Inc.	55	21	916	962	903	910	13	52	98.6%	94.6%	44	21	388	312
HFCS Transport Company, Inc.	1,073	855	4,365	3,636	3,891	2,899	474	737	89.1%	79.7%	42	35	1,100	932
Harper Trucking Co., Inc.	2,575	2,609	2,935	2,952	2,806	2,632	129	320	95.6%	89.2%	N/A	56	1,215	1,528
Harrell, R.O., Inc.	506	475	2,497	2,029	2,219	1,927	278	102	88.9%	95.0%	0	0	0	0
Henry, C.S., Transfer, Inc.	54	48	4,382	3,804	4,285	3,673	97	131	97.8%	96.6%	72	71	1,717	1,547
Heritage Transport, Inc.	600	424	7,516	6,014	6,375	4,707	1,141	1,307	84.8%	78.3%	5	3	124	68
Hood, Robin, Container Express, Inc.	0	0	1,607	1,525	1,575	1,505	32	20	98.0%	98.7%	6	6	115	64
Huck's Piggyback Service, Inc.	106	104	2,281	2,072	2,277	2,063	4	9	99.8%	99.6%	26	26	862	783
In-Time Transportation	8,462		8,784	5,556	7,276	4,656	1,508	900	82.8%	83.8%	12	8	246	114
Jump Transportation Enterprises, Inc.	1,198	924	4,131	2,255	3,912	2,120	219	135	94.7%	94.0%	38	23	929	314

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Kennedy Freight Lines, Inc.	$305	$294	$2,182	$1,917	$2,283	$2,052	($101)	($135)	104.6%	107.0%	12	15	$271	$287
Kugler, George W., Inc.	0	0	2,206	2,072	2,176	2,060	30	12	98.6%	99.4%	0	0	0	0
Lewis Truck Lines, Inc.	33	59	2,827	2,939	2,940	3,117	(113)	(178)	104.0%	106.1%	0	0	0	0
Lisk, Howard, Inc.	429	998	7,296	5,166	6,586	4,910	710	256	90.3%	95.0%	87	65	1,975	1,507
Louisiana-Pacific Trucking Company	63	71	1,393	1,693	1,266	1,525	127	168	90.9%	90.1%	0	0	0	0
MCO Transport, Inc.	1,394	1,241	6,151	6,032	6,201	6,008	(50)	24	100.8%	99.6%	54	49	1,025	960
Martin Motor Lines, Inc.	1,207	1,169	1,477	1,449	1,526	1,443	(49)	6	103.3%	99.6%	36	36	701	734
McClellan Truck Lines	24	22	3,858	3,890	3,711	3,706	147	184	96.2%	95.3%	0	0	0	0
McLaurin Trucking Company	N/R	2,458	N/R	3,845	N/R	3,938	N/COMP	(93)	N/COMP	102.4%	N/R	50	N/R	867
Merchants Transport of Hickory, Inc.	538	524	1,396	1,387	1,391	1,368	5	19	99.6%	98.6%	0	0	0	0
Merritt Trucking Company, Inc.	1,919	3,238	5,164	4,366 (B)	4,875	4,222	289	144	94.4%	96.7%	82	79	1,711	1,462
Messenger, Carl, Service, Inc.	0	0	6,909	5,561	7,036	5,189	(127)	372	101.8%	93.3%	0	0	0	0
Nationwide Horse Carriers, Inc.	0	0	256	611	460	316	(204)	295	179.7%	51.7%	0	0	0	0
North State Motor Lines, Inc.	473	441	2,968	2,893	2,795	2,791	173	102	94.2%	96.5%	45	43	687	664
Piedmont Fuel & Distributing Company, Inc.	867	815	1,112	999	1,067	966	45	33	96.0%	96.7%	20	27	459	447
Postmasters, Inc.	N/R	1,223	N/R	8,752	N/R	16,003	N/COMP	(7,251)	N/COMP	182.8%	N/R	45	N/R	578
Raeford Trucking Company	4	4,145	3,956	4,268	3,907	4,237	49	31	98.8%	99.3%	7	8	149	166
Reliable Tank Line	1,840	1,723	1,989	1,888	1,554	1,547	435	341	78.1%	81.9%	35	29	703	636
Rocket Express, Inc.	207	132	2,066	1,317	1,769	1,272	297	45	85.6%	96.6%	42	34	710	411
Rothrock, J.L., Inc.	0	0	2,817	3,283	2,796	3,265	21	18	99.3%	99.5%	72	76	1,123	1,330
S & S Trucking Company	26	22	955	1,348	980	1,305	(25)	43	102.6%	96.8%	20	25	321	426
Sales Carriers, Inc.	1,241	782	4,293	3,117 (B)	4,257	2,889	36	228	99.2%	92.7%	58	45	1,314	844
Sherman & Boddie, Inc.	441	358	2,234	2,153	2,085	1,855	149	298	93.3%	86.2%	29	29	682	658
Smith Transfer Company, Inc.	44	42	4,407	4,187	4,329	4,174	78	13	98.2%	99.7%	28	22	504	366
Southern Oil Transportation Company, Inc.	1,013	904	1,040	904	1,068	936	(28)	(32)	102.7%	103.5%	21	20	445	413
Southwestern Freight Carriers, Inc.	78	0	7,253	4,885	7,138	4,793	115	92	98.4%	98.1%	69	26	1,179	704
Stacy, D.W., Company, Inc.	N/A	0	2,350	2,681	2,357	2,670	(7)	11	100.3%	99.6%	0	0	0	0
Stegall T.G., Trucking Company	0	0	2,820	2,949	2,657	3,016	163	(67)	94.2%	102.3%	43	40	862	851
Tidewater Transit Company, Inc.	2,897	2,892	7,614	5,507 (B)	6,510	4,731	1,104	776	85.5%	85.9%	75	66	2,026	1,575
Topco Enterprises, Inc.	199	394	4,988	5,673	5,186	6,629	(198)	(956)	104.0%	116.9%	55	58	1,370	1,168
Turner, Guy N., Inc.	N/R	148	N/R	999	N/R	962	N/COMP	37	N/COMP	96.3%	N/R	75	N/R	250
2000 Corporation	501	624	590	1,469	658	1,536	(68)	(67)	111.5%	104.6%	12	21	253	494
USA Eastern Freight, Inc.	N/R	1,003	N/R	9,371	N/R	11,661	N/COMP	(2,290)	N/COMP	124.4%	N/R	159	N/R	3,667
Unique Express, Inc.	871	826	2,235	2,066	2,159	2,161	76	(95)	96.6%	104.6%	21	21	651	698
Wallace Trucking Company	113	107	1,787	1,711	2,449	2,530	(662)	(819)	137.0%	147.9%	32	34	732	726
Wally Service Company, Inc.	22	93	1,448	1,613	1,362	1,536	86	77	94.1%	95.2%	15	6	288	77
Warren Transportation Inc. of Va.	3	38	6,835	6,049	6,482	5,847	353	202	94.8%	96.7%	8	5	93	71
Wendell Transport Corporation	2,627	2,232	3,058	2,772	2,758	2,446	300	326	90.2%	88.2%	55	44	1,018	992
West Brothers Moving & Storage	4,113	4,160	4,522	4,491	4,262	4,285	260	206	94.3%	95.4%	120	110	2,047	1,795
Wicker Services, Inc.	1,679	1,379	2,342	1,915	2,264	1,907	78	8	96.7%	99.6%	43	38	1,018	879
Wideahouse, A.C., Inc.	4,448	3,790	4,643	3,958	3,842	3,482	801	476	82.7%	88.0%	79	76	1,738	1,520

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1988 and 1987
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
General Freight Carriers:	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Williams Cartage Company, Inc.	$312	$309	$3,588	$3,275	$3,472	$2,368	$116	$907	96.8%	72.3%	3	10	$34	$210
Worsley Transport, Inc.	1,570	1,589	2,308	2,208	(2,330)	2,198	4,638	10	-101.0%	99.5%	34	35	702	716
Yarbrough Transfer Company	772	561	2,883	2,653	2,641	2,401	242	252	91.6%	90.5%	40	36	897	763
Yeary Transfer Co., Inc.	29	58	920	1,112	956	1,086	(36)	26	103.9%	97.7%	0	0	0	0
Yelton Trucking Company, Inc.	95	99	1,247	1,337	N/A	N/A	N/A	N/A	N/A	N/A	4	8	89	106
Total	$81,182	$72,380	$355,495	$333,853	$339,763	$337,498	$15,732	($3,645)	95.6%	101.1%	$3,582	$3,532	$76,007	$72,767
Grand Total	$184,986	$78,162	$405,099	$381,715	$388,388	$384,015	$16,711	($2,300)	95.9%	100.6%	$4,402	$4,443	$89,716	$86,630

N/A--Not Available
N/R--No Annual Report Filed
N/COMP--Not Comparable
(A) Partial year of operations
(B) Change in scope of operations

Grand Total Class II Motor Freight Carriers for:
1988 = 127
1987 = 135

FIGURE 9-3

CLASS I & II MOTOR FREIGHT CARRIERS--AUTHORITY GRANTED IN 1988
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(DOLLARS IN 000s)

CLASS I	NORTH CAROLINA	TOTAL COMPANY DATA				NORTH CAROLINA	
GENERAL FREIGHT CARRIERS:	Regulated Revenues	Revenues	Expenses	Net Operating Income	Operating Ratios	Average Number Of Employees	Total Salaries Paid
ADM Trucking, Inc.	$356	$29,792	$27,022	$2,770	90.7%	6	72
American Freight System, Inc.	65	295,315	354,400	(59,085)	120.0%	487	8,105
Bulldog Hiway Express	10	8,830	8,606	224	97.5%	0	0
Carolina Western Express, Inc.	93	18,736	17,365	1,371	92.7%	226	4,553
DSI Transports, Inc.	42	69,627	63,651	5,976	91.4%	30	575
DewLine, Inc.	390	12,767	13,057	(290)	102.3%	10	58
General Transport Systems, Inc.	158	7,358	7,086	272	96.3%	73	967
Gra-Bell Truck Line, Inc.	20	27,028	26,545	483	98.2%	1	34
Key Way Transport, Inc.	1,340	32,310	30,929	1,381	95.7%	71	1,163
Newton Transportation Company, Inc.	86	8,602	8,473	129	98.5%	165	3,699
Q Carriers, Inc.	69	8,065	7,844	221	97.3%	3	65
Ryder Bulk Transportation Services, Inc.	80	25,359	25,350	9	100.0%	2	16
Whiteford Transport Systems, Inc.	1,246	124,247	113,780	10,467	91.6%	68	614
Total Class I (13)	$3,955	$668,036	$704,108	($36,072)	105.4%	1,142	19,921
CLASS II							
GENERAL FREIGHT CARRIERS:							
CTB Trucking, Inc.	$5	$3,721	$3,808	($87)	102.3%	9	$189
LADD Transportation, Inc.	0	3,945	2,948	997	74.7%	15	213
Lentz Transfer and Storage Company	140	1,982	1,835	147	92.6%	21	542
Roadway Package System, Inc.	0	259,976	258,015	1,961	99.2%	42	3,162
Sain & Heavner Trucking Co., Inc.	0	2,328	2,312	16	99.3%	26	614
Sealed Air Trucking, Inc.	957	4,083	4,580	(497)	112.2%	36	1,099
Southern Bulk Haulers, Inc.	2	5,230	5,135	95	98.2%	17	349
Western Auto/Transportation Division	17	1,572	1,702	(130)	108.3%	16	558
Williams, H.C. Jr., Trucking Co., Inc.	207	2,587	2,757	(170)	106.6%	50	1,002
Total Class II (10)	$1,328	$285,424	$283,092	$2,332	99.2%	232	$7,728
Grand Total (23)	$5,283	$953,460	$987,200	($33,740)	103.5%	1,374	$27,649

FIGURE NO. 9-4

MOTOR FREIGHT CARRIERS--CLASS I AND II
SUMMARY OF SELECTED DATA--INCOME, EXPENSES, AND STATISTICAL ITEMS
FOR THE CALENDAR YEARS 1987 AND 1988
(DOLLARS IN 000s)

CLASS I CARRIERS

	1987	1988	% Change More(Less) 1987-1988
Number of Companies Included in this Data	160	174	8.8 %
North Carolina Regulated Revenues	$219,478	$238,112	8.5 %
Operating Data (Systemwide):			
Operating Revenues	$16,139,396	$18,065,759	11.9 %
Operating Expenses	$15,510,669	$16,949,538	9.3 %
Net Operating Income	$628,727	$1,116,221	77.5 %
Operating Ratio (Percent)	96.1	93.8	(2.4)%
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	24,681	25,884	4.9 %
Total Salaries Paid ($-000s)	$670,830	$686,968	2.4 %

CLASS II CARRIERS

Number of Companies Included in this Data	135	137	1.5 %
North Carolina Regulated Revenues	$82,974	$186,314	124.5 %
Operating Data (Systemwide):			
Operating Revenues	$439,165	$690,523	57.2 %
Operating Expenses	$440,271	$671,480	52.5 %
Net Operating Income	($1,106)	$19,043	(1,821.8)%
Operating Ratio (Percent)	100.3	97.2	(3.0)%
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	4,849	4,634	(4.4)%
Total Salaries Paid ($-000s)	$89,932	$97,444	8.4 %

GRAND TOTALS CLASSES I & II

Number of Companies Included in this Data	295	311	5.4 %
North Carolina Regulated Revenues	$302,452	$424,426	40.3 %
Operating Data (Systemwide):			
Operating Revenues	$16,578,561	$18,756,282	13.1 %
Operating Expenses	$15,950,940	$17,621,018	10.5 %
Net Operating Income	$627,621	$1,135,264	80.9 %
Operating Ratio (Percent)	96.2	93.9	(2.4)%
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	29,530	30,518	3.3 %
Total Salaries Paid ($-000s)	$760,762	$784,412	3.1 %

The number of carriers in each classification changes each year because of the companies' growth in revenue and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. Therefore, the use of this data for comparative purposes must be used with discretion.

FIGURE NO. 9-5A
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

Mobile Home Movers:	TOTAL COMPANY REVENUE 1988	1987
ACE Transport, Ltd.	$951,093	$1,003,975
Alfred's Mobile Home Movers	73,804	93,828
B & B Movers, Inc.	186,630	117,370
Barbour Mobile Home Movers & Service	65,096	97,446
Barnett's Mobile Home Movers	20,927	8,009
Bass Mobile Home Moving	88,962	79,459
Big B Trailer Service	19,925	13,492
Billy's Home Service	269,246	286,170
Bissell, Herbert, Mobile Home Mover	18,000	15,000
Bob's Mobile Home Moving	19,377	6,600
Bob's Mobile Home Transport & Service	59,120	101,679
Border's Mobile Home Movers	33,876	40,772
Bradly, Bill B.	13,713	52,317
Bryant, Billy, Trailer Moving	95,911	71,280
Bryant's Trailer Convoy	96,675	74,360
Bullock, Richard Edwin	4,950	5,960
Butler Mobile Home Movers	36,583	18,280
Canipe's Wrecker Service & Mobile Home Movers	3,950	3,840
Carroll's Mobile Home Transport	58,988	63,240
Carteret Mobile Home Movers	24,624	22,500
Cecil's Mobile Home Service	77,354	80,000
Chambers Mobile Home Movers	10,054	17,667
Coats, Lewis C., Trailer Moving Co.,	249,853	131,617
Cockerham, Wallace, Towing, Inc.	61,040	67,819
Coley's Welding Service	4,905 (A)	11,886
Council's Mobile Movers, Inc.	12,040 (A)	29,433
Davidson, R.	571,155	268,051
Davis Mobile Home Movers	284,433	364,247
Davis Mobile Home Moving	17,381	14,548
Davis, W. L., Mobile Home Movers	109,410	71,597
Delivery Services, Inc.	52,465	76,180
Denver Mobile Home Moving	95,000	100,000
Doug's Mobile Home Towing, Inc.	521,853	685,299
Ed's Mobile Home Movers	27,492	20,119
Emerson, Phillip M.	32,072	28,333
Evans, Donald, Mobile Home Movers, Inc.	215,520	335,432
Express Mobile Home Movers	56,593	49,347
Frady, James Woodrow	42,476	40,760
Gilbert, Jimmy, Movers	9,880	9,180
Grandpap Mobile Home Service	109,785	150,912
Hall's Mobile Home Movers	12,308	14,723
Herring Mobile Home Movers	77,122	14,794
Ideal Towing Service, Inc.	66,033	30,621
J & M Mobile Home Repair Service	520	2,827
JR's Mobile Homes, Inc.	255,512	272,191
Jack's Mobile Home Service	21,838	12,510

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5B
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

Mobile Home Movers:	TOTAL COMPANY REVENUE 1988	1987
Jerry's Mobile Home Service & Movers	$34,563	$68,389
Johnny's Mobile Home Service of Asheville, Inc.	85,395	49,054
Johnson Mobile Home Service	19,500	15,930
Johnson, Jerry, Mobile Home Movers	8,025	3,760
Joyful Homes, Inc.	32,040	19,200
L. B. Transport, Inc.	11,574	10,760
Laughinghouse, Charles C., Mobile Home Movers	225,914	260,272
Lee's Mobile Home Service	24,300	23,688
Lewis, Joe, Mobile Home Moving & Service, Inc.	371,320	282,840
Lewis, Lionel Bert	60,325	38,585
Lorraine Transporters	4,642 (A)	12,241
Lower Creek Mobile Homes	34,704	28,920
Lynn, Garland, Mobile Home Movers	73,423	82,133
M & M Movers	30,008	20,482
Maness, Walter Clyde	950	1,000
Master Mobile Home Movers, Inc.	68,849	83,833
McCreary's Mobile Home Towing	50,953	30,400
McLaurin Mobile Home Service	7,850	14,360
McMahan Mobile Home Movers	97,118	108,541
Minton, Edwin	52,252	40,425
Mobile Home Movers, Inc.	3,600	4,480
Mobile Home Sales & Repair	99,172	122,233
Mobile Maintenance, Inc.	155,663	43,270
Moore's Mobile Manor and Service	95,646	69,584
Nichols, Jacky	38,340	1,075
Patterson, Ralph K.	550	600
Paul, Charles Furney	42,500	39,600
Person's Mobile Home Movers	69,168	75,991
Phillips Mobile Home Movers, Inc.	15,351	3,646
Piedmont Mobile Home Movers	15,000	6,000
Pierce Mobile Home Service	85,600	11,000
Pinebluff Mobile Home Park	6,310	4,333
Pippin, Herbert Joel	102,069	71,970
Pop's Trailer Towing Co., Inc.	132,334	133,842
Potter's Mobile Home Service	23,796	27,013
Price, Harold Maxton, Mobile Home Movers	12,200	13,300
Quality Mobile Home Sales of Godwin	69,328 (A)	15,558 (A)
R. W. Mobile Home Movers	77,849	69,312
Rice's Mobile Home Service	6,990	6,178
Ricks/Kelly Mobile Home Moving Service	38,106	12,958
Ridgeway Mobile Home Transporters, Inc.	21,406	14,532
Riverside Mobile Home Movers	19,837	20,698
Ronald's Trailer Transport	75,451	63,513
S & H Mobile Home Movers	44,400	55,250
S & M Mobile Home Movers	11,173	10,680
Satellite Station	75,364	56,252

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5C
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Mobile Home Movers:	1988	1987
Service Recovery Corporation	$108,000	$179,698
Sloop's Welding Service	77,932	70,355
Smith, Larry M., Trucking, Inc.	5,656	14,797
Spruill, Norman Arlington	111,731	92,902
Starling's Mobile Home Service	9,840	17,500
Statewide Mobile Home Movers	7,650	6,200
Stevenson, R. L.	3,827	9,503
T & W Mobile Home Movers, Inc.	133,519	130,980
Tom's Mobile Homes	3,115	4,758
Tommy's Transporters, Inc.	101,611	294
Upchurch Mobile Home Service & Transporting Co.	11,400	7,983
Village Homes of the Pamlico, Inc.	2,832	5,162
Ward's Mobile Home Moving Service	10,078	10,227
Williamson Mobile Home Transit	4,135 (B)	18,105
Wood Mobile Home Movers	6,700	10,600
Woodring's Mobile Home Park	2,250	0
Total	$8,366,728	$7,802,415
Household Goods Movers:	1988	1987
A Christian Moving Co., Inc.	$306,587	$307,737 (A)
A-1 Moving & Storage, Inc.	690,392	664,394
AAA Spruil Moving & Storage	38,983	38,611
AAA Storage Company, Inc.	292,230	520,134
ABC Moving & Storage, Inc.	829,571	749,909
ACE World Wide Moving & Storage of Raleigh	968,918	737,188
Acme Movers & Storage Co., Inc.	364,016	253,071
Affiliated Services	2,460,562	1,828,584
All American Movers of Goldsboro, Inc.,	110,817	92,699
All American Moving & Storage Co., Inc.	484,464	596,195
All States Moving & Storage Co., Inc.	422,109	594,437
Allen's Moving Service of Fayetteville, Inc.	171,630	122,950
Alternative Moving Systems	425,310	475,604
American Distribution Systems, Inc.	185,867	0
Asheville Transfer & Storage, Inc.	765,696	547,775
Atlantic Pacific Van & Storage, Inc.	155,343	152,458
Bartlett, Jack, Moving & Construction	81,521	73,813
Betts, Shirley Edward	6,605	9,365
Brevard Moving & Storage Co., Inc.	271,073	248,169
Bright's Transfer, Moving & Storage	13,366	11,355
Brink Moving & Storage	314,988	190,864
Burks Moving & Storage, Inc.	664,380	634,732
Byers, Samuel Augusta	108,814	107,517
Campbell's Transfer	96,096	82,425
Capitol Van Lines, Inc.	231,581	289,344

(A) Change is Scope of Operations
(B) Partial of Year of Operations

FIGURE NO. 9-5D
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

Household Goods Movers:	TOTAL COMPANY REVENUE 1988	1987
Cardinal Moving & Storage, Inc.	$1,031,770	$1,003,428
Carolina Relocation Services	518,764	319,949
Cashion Moving and Storage, Inc.	242,489	204,565
Central Warehouse Co. of Durham, Inc.	305,450	254,094
City Transfer & Storage Co. of Fayetteville, Inc.	56,262	17,064
Coastal Moving Co., Inc.	394,635	376,889
Coley Moving & Storage, Inc.	887,523	756,067
Crown Moving & Storage, Inc.	393,264	443,320
Custom Moving & Storage, Inc.	427,844	416,776
David's Econo Move, Inc.	305,688	342,825
Dawson-Joyce Moving & Storage Co.	321,249	398,805
DeHaven's Transfer & Storage of Greensboro, Inc.	797,317	783,899
DeHaven's Transfer & Storage of Raleigh, Inc.	932,088	929,731
Denham Moving & Storage, Inc.	165,135	111,965
Dunbar Moving Systems	1,739,295	1,178,171
Dunnagan's Moving & Storage	87,487	70,975
East Spencer Moving Corp.	50,760	44,910
Edwards Moving Connection	44,661 (A)	6,650
Fidelity Moving & Storage Co., Inc.	1,162,301	896,059
Fleming-Shaw Transfer & Storage, Inc.	924,511	834,429
Four Seasons Moving Company	235,460	206,356
Fox Brothers of Boone, Inc.	134,837	154,439
Gasperson Transfer, Inc.	212,674	212,568
Gilbert Trucking Co.	183,559	188,735
Goldsboro Van & Storage, Inc.	224,654	234,267
Grady's Moving & Delivery Service, Inc.	485,170	365,586
Graebel/North Carolina Movers, Inc.	38,463	0
Greenwood Transfer & Storage Company, Inc.	32,118	27,811
Griffin Transfer & Storage Co., Inc.	195,423	210,928
Hall's Transfer	80,077	78,181
Harrison Moving & Storage, Inc.	288,795	287,337
Harvel's, Cliff, Moving Company	91,553	123,590
Hester Transfer & Storage, Inc.	0	20,013
Highland Moving & Storage Co., Inc.	257,957	312,974
Hoyle Transfer & Storage	319,999	200,183
Humphrey, David Charles	4,376	3,420
Humphrey, Troy, Moving & Storage, Inc.	482,935	590,551
Keever Moving Service, Inc.	41,250	55,308
Kepley Moving & Storage, Inc.	78,152	85,246
Kinston Moving & Storage, Inc.	46,833	51,796
Klink Transfer & Storage	110,309	102,226
Ladd, J. E. & Son	81,799	78,317
Long Transfer, Inc.	207,387	177,512
McCauley Bros. Moving & Storage, Inc.	231,500	229,445
McCauley Moving & Storage of Fayetteville,Inc.	868,601	817,570
May Moving of Goldsboro, Inc.	426,349	596,661

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-SE
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

Household Goods Movers:	TOTAL COMPANY REVENUE 1988	1987
Merchants Moving & Storage, Inc.	$571,626	$597,154
Modern Moving & Storage	859,458	930,206
Morehead Moving & Storage	263,357	206,765
Move-It Company	189,965	177,080
Murray Transfer & Storage Co., Inc.	1,277,349	1,055,986
No-Name Movers	255,879	331,781
Owens, W. W. & Sons, Moving & Storage, Inc.	785,955	678,037
Pannell, Willie Neal	5,098	8,407
Patterson Storage Warehouse Co., Inc.	1,154,635	1,142,023
Piedmont Home Delivery & Services Co.	15,768	21,863
Piedmont Van & Storage Co., Inc.	671,232	773,483
Port City Transfer & Storage Company	164,998	144,104
Queen City Moving & Storage	700,176	623,581
Raleigh Bonded Warehouse, Inc.	102,963	167,392
Raleigh Furniture Storage Co., Inc.	410,682	411,319
Reliable Van & Storage Co., Inc.	710,981	681,477
Russell Transfer Co., Inc.	553,549	624,696
Salisbury Moving & Storage	355,200	286,164
Sandhills Bonded Warehouse, Inc.	211,781	175,251
Sanford Transfer & Storage Co.	26,953	31,807
Sells Service, Inc.	344,323	304,725
Service Moving & Storage	845,241	797,586
Sheets Transfer and Storage Company, Inc.	652,882	777,336
Small Time Movers	134,053	129,159
Smith Dray Line & Storage Co., of N. C., Inc.	809,634	787,183
Smith, Elton C., Jr., Moving Co.	112,185	108,518
Smith Transfer & Storage	12,945	14,861
Smith, W. E., Moving Company, Inc.	145,797	181,181
Staley Moving Vans	10,411	10,514
Standard Moving & Storage	284,473	231,234
Stanley Transfer Company, Inc.	2,276,855	1,902,819
State Moving & Storage, Inc.	382,060	198,555
Sunbelt Moving Systems, Inc.	993,786	926,462
Superior Delivery Service, Inc.	824,036	615,211
Tarheel Moving & Storage, Inc.	727,914	645,414
Taylor Transfer & Storage Co.	292,969	308,278
Terminal Storage Company, Inc.	351,625	334,358
Tri-City Moving & Storage, Inc.	1,308,263	1,074,204
Tri-State Moving & Storage	99,897	123,750
Tryon Moving & Storage, Inc.	518,861	536,486
Turner's Moving Service	N/A	85,630
Umstead Brothers, Inc.	372,085	391,927
Union Transfer & Storage Company, Inc.	1,048,006	791,494

(A) Change in Scope of Operations
(B) Partial Year of Operations
N/A Not Available

FIGURE NO. 9-SF
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Household Goods Movers:	1988	1987
West's Durham Transfer & Storage Company, Inc.	$223,232	$274,291
Wile Transfer & Storage Company, Inc.	466,962	446,370
Williams, R. M. Moving Service	83,938	112,118
Williams Transfer & Storage, Inc.	235,915	235,569
Willis Moving & Storage, Inc.	185,409	156,580
Total	$49,641,004	$45,701,310
General Freight Carriers:	1988	1987
A-1 Wrecker Service of Chatham Co., Inc.	$193,039	$179,686
A & F Equipment Service Co., Inc.	69,487	32,730
A & J Motor Lines, Inc.	135,978	134,807
Abernathy Transfer & Storage Co., Inc.	30,936	33,790
Acme, Inc.	167,347	166,145
Airport Ground Transportation Services	914,247	895,648
Alexander Trucking Company of Davidson, Inc.	187,466	212,628
Alford, Cliff, Trucking, Inc.	287,468	305,820
Ammons Trucking Company	72,331	62,277
Anthony's Cargo Express, Inc.	850,887	460,784
Armored Protective Service, Inc.	266,023	255,363
Arndt Trucking, Inc.	199,807	191,503
Ausley, Cecil Thomas	211,024	245,744
B & B Lines, Inc.	362,513	384,107
B & C Trucking Co., Inc.	129,357	114,329
B & P Trucking	67,663	64,837
B & W	45,000	2,900
B & W Grain & Feed Service Inc.	106,504 (A)	220,295
B-Freight Lines, Ltd.	567,464	463,114
BHL Transport, Inc.	1,009,353	464,628
BRT Transport, Inc.	351,122	129,670
Baker,Johnie Royster	3,967	2,122
Baker's Delivery Service	66,852	77,981
Barco Pickup & Delivery	64,000	41,000
Beasley Transport, Inc.	24,937 (B)	162,593
Beasley, Valton, Contract Hauling	89,767	103,784
Beeline Carriers, Inc.	266,174	242,789
Bell Truck Line	168,856	164,587
Best Cartage, Inc.	635,537	576,392
Best Way Motor Lines, Inc.	1,069,615	1,014,912
Bestway Express, Inc.	3,946,072	3,037,678
Black Trucking Company	545,882	943,070
Blevins Motor Express	61,281	79,436
Blount Transit, Inc.	290,234	299,236
Blue-Bird Diamond Taxi Assoc.	9,552	15,920
Blue Ox Distribution Company, Inc.	918,530	1,135,910

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-56
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1988	1987
Blue Wing Trucking	$336,394	$127,871 (A)
Bostick, James Richard	38,065	48,706
Brendle Transport, Inc.	334,698	319,396
Bright Belt Motor Lines	929,133	729,632
Bright, Thomas Elton	78,032	60,942
Broglin's Delivery Service	106,870	107,139
Brookshire Express Services	300,596	190,222
Brothers Delivery Company, Inc.	139,445	77,702
Brown Oil & Transit Co., Inc.	68,199	188,672
Bryson Machinery Movers & Riggers, Inc.	133,640	132,327
Bud's Trucking	23,040	22,140
C & E Transportation Company	66,923	71,529
C & H Air Service	87,360	66,000
C & O Warehousing	33,469	21,808
C.L.P. Enterprises, Inc.	3,052,807	3,625,514
C. M. Trucking Co.	215,731	143,308
C. S. Transport	2,291,954	1,173,521
CSC Erectors, Inc.	750,316	736,685
Campbell Trucking, Inc.	224,342	162,943
Carolina Haulers, Inc.	324,329	336,616
Carolina Movers & Riggers, Inc.	64,650	66,955
Carolina Storage Corp.	112,283	199,227
Carolina Taxi & Industrial Transportation, Inc.	75,456	19,041
Carpenter Trucking Co., Inc.	822,078	618,570
Carr Transport, Inc.	243,173	249,204
Case, C.M., Inc.	101,196	31,698
Cason Builders Supply	473,278	372,187
Caustic Soda Transportation Co.	410,635	368,110
Cauthen Gin & Bag Company, Inc.	685,140	682,600
Cedar Hills Trucking, Inc.	2,529,778 (A)	924,640
Cencar Services, Inc.	459,601	437,234
Charlotte Bay Trading Company	905,568	1,087,411
Charlotte Bus Terminal, Inc.	11,475	3,046
Chatham Trucking Company	1,252	57,469
Christie, Craig L.	107,026	129,916
Citizen Express, Inc.	621,788	548,956
Clark, J. B. III	1,160,099	1,079,986
Clark, Osker A.	175,334	210,326
Cloninger, C. F. Trucking	669,420	587,786
Coachman, Eric	45,415	55,377
Collins Trucking Company	245,024	200,077
Columbus Motor Lines, Inc.	1,276,720	1,068,988
Commercial Warehouse, Inc.	74,371	84,377
Continental Transport	259,607 (A)	1,049,000
Cook & Sons, Inc.	184,909	273,679
Cook's Transfer & Storage	464,227	410,639

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5H
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1988	1987
Cooley Transport, Inc.	$453,427	$490,872
Council, Jimmie	19,165	20,000
Crawford Deliveries, Inc.	94,200	109,768
Cromartie Transport Co., Inc.	877,563	853,807
Culberson Motor Lines, Inc.	1,076,044	922,974
Custom Freight,Inc.	60,777	45,816
D & I Trucking, Inc.	746,345	352,807
D & M Motors	15,385	14,750
Davis, Wallace, Trucking	686,587	490,347
Deerwood Transport, Inc.	665,721	650,186
DeLoatch Transportation, Inc.	155,194	19,692
Dew Transport Company	629,244	538,000
Direct Express Courier Services, Inc.	2,363,907	1,890,875
East Carolina Cartage Company, Inc.	652,726	572,023
Eastern Courier Corporation	471,705	449,837
Eastern Delivery Service, Inc.	451,000	421,000
Eastern Waste Paper Co.	703,643	372,554
Economy Transport, Inc.	52,678	64,415
Embers Express Trucking Company, Inc.	1,577,000	1,530,000
English Trucking Co.	170,877	137,614
Essick, Ike C.	219,287	187,010
Evans, Charles	88,750	92,813
Exemptco of Surry County	316,877	274,221
Faircloth, Henry, Trucking	174,124	145,558
Faison's Delivery Service	66,960	52,970
Federal Motor Express, Inc.	1,721,000 (A)	913,500
First Express	373,243	316,024
Fleetwood Express, Inc.	351,820	382,745
Foothills Trucking Co., Inc.	1,101,856	1,047,589
Ford Contracting Services	30,361	33,648
Fortson Trucking Company	501,664	339,163
Fowler, M. M., Inc.	214,656	361,958
Fuller, Thurston A. & Edith J.	51,316	66,247
Gilbert Transfer Company	1,015,554	709,464
Glover, James Harold, Trucking, Inc.	40,735	49,522
GOCO Transportation, Inc.	52,947	47,200
Graham, Garland R.	78,697	54,964
Grant Enterprises, Inc.	364,944	324,639
Graphics Express	152,701	56,300
Greene Haulers, Inc.	117,357	100,469
Guignard, L. B., Inc.	27,638	329,336
Gupton, Donald L.	162,000	132,000
H I T	135,050	122,950
Haigler Trucking Company	873,743	708,828
Harris, Billy, Trucking Co., Inc.	166,975	159,728
Hedrick, Sanford M., Jr.	117,989	24,400

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5I
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1988	1987
Hickory Merchants Delivery, Inc.	$225,593	$199,817
High Point Delivery Company	42,633	39,442
Hildebran Freight Brokers, Inc.	115,850	301,695
Hodges, Ed F., Inc.	184,781	188,750
Holland Transfer Co.	1,148,467	1,146,242
Holt, H. R.	248,056	282,531
Hopkins, D. O. Trucking, Inc.	11,986	0
Hough, Butch F. C., Trucking	80,970	58,019
Howell Transfer Co., Inc.	280,666	330,073
Hunt's Trucking Co.	32,800	32,500
Industrial Asphalt Transport, Inc.	277,100	638,613
Inman, Gene, Trucking,Inc.	1,621,891 (A)	579,353
Ivey, Richard, Jr., Trucking	75,159	69,492
Jackson, Stacy W., Trucking	59,226	25,254
Jackson Trading Company, Inc.	174,023	265,715
J. E. D. Transport, Inc.	880,623	343,155
Jet Express Delivery, Inc.	33,000	22,973
Jiffy Express Co.	93,382	48,895
John's Auto Repair, Inc.	513,582	587,233
Johnny's Transfer Co., Inc.	665,817	648,333
Johnson, Clarence	83,363	40,777
Johnson, James Walter	82,850	82,405
Jones, Raymond E., Trucking, Co.	63,329	67,573
K. B. D. Services, Inc.	526,540	441,807
Kendall Trucking & Grading	535,530	440,168
L & N Trucking	283,307	348,201
L. U. Carriers, Inc.	751,783	750,277
Land-Link, A Division of Europa Auto Search, Inc.	1,811,358	1,239,877
Lee, Husel G.	84,487	67,797
Lester Transportation, Inc.	56,170	104,909
Lewis & Lewis Trucking Co.	423,898	435,586
Lewis Storage Company, Inc.	67,802	70,408
Liberty Trucking	63,292	62,483
Lockwood Brothers, Inc.	614,309	539,744
Long Transportation Services, Inc.	1,402,456	547,563
Lovette Company	389,206	246,981
Lumberton Masonary Co.	168,683	300,373
McCann Enterprises, Inc.	506,686	357,161
McKinney, James Garland	3,185	4,628
McLeod Trucking & Rigging Co., Inc.	260,184	187,849
M & P Transfer, Inc.	198,098	0
Macon, Robert L.	248,806	233,983
Mangum, C. C., Inc.	208,621	277,277
Marco-Pascal Co.	95,551	105,651
Marshall, Sherman W.	80,796	82,769
Marshall's Pick-Up and Delivery	21,894	16,194

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5J
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1988	1987
Martin, Roger E., Inc.	$969,711	$946,904 (A)
Metrolina Courier, Inc.	629,276	240,269
Mickel, David Jessie, Trucking	359,600	366,845
Mid-State Service Co.	71,582	77,428
Mills, Leroy	92,475	77,128
Mini-Haul, Inc.	109,177	122,533
Mitchell Express, Inc.	42,250	43,100
Morgan, Garrett, Trucking, Inc.	344,943	225,202
Morgan Trucking, Inc.	4,661,594	3,649,025
Morven Freight Lines, Inc.	868,663	866,687
Mount Airy Oil Company, Inc.	132,881	93,875
Mountain River Trucking Company, Inc.	160,674	165,856
Mullis, Brandon L., Inc.	8,270 (A)	21,665
N. C. Transport, Inc.	895,519	1,002,738
Natron Express, Inc.	2,149,076	1,784,371
Neuse Transport, Inc.	498,696	571,529
New-Con Transportation, Inc.	893,485	343,916
Newsom Transports, Inc.	228,844	223,982
Nichols, A. T., Trucking Co.	595,433	573,947
Nichols, Robert, Hauling	109,997 (A)	59,744
Nordan Transportation Co., Inc.	76,186	67,300
Norris, Elwood, Inc.	251,357	183,118
Northside Storage Company	99,373	96,223 (B)
Odum, Ernest	98,673	51,689
Ormond, W. W., Transfer Co., Inc.	137,028	119,232
P A C Transport, Inc.	1,900,409	1,147,611
PDC Trucking Company	309,949	340,237
Package Delivery, Inc.	975,118	760,780
Package Delivery Service	98,402	51,584
Paramount Express, Inc.	1,633,722	1,348,102
Perry, Stanley Kent	82,000	62,467
Perry & Turner Trucking Co., Inc.	1,774,731	1,452,289
Petroleum Transport Company, Inc.	1,435,067	1,055,735
Piedmont Delivery Service	48,430	41,041
Piedmont Grading & Wrecking Co., Inc.	359,207	46,802
Piedmont Paper Stock Co. - Chesapeake Corp.	15,417	14,350
Piggy-Back & Cartage Service	51,030	84,412
Polar Transport, Inc.	208,668	70,190
Pope Transport Co.	2,794,293	1,816,142
Poteat, Lindsey	85,684	89,232
Powell, S. E., Jr.	81,481	92,417
Price, Warren Gene	72,621	77,764
Proctor, F. C.	17,595	78,562
Public Transport Corporation	488,672	471,820
Puryear Transport, Inc.	1,251,476	881,224
Rakes, Jimmy L., Trucking Co., Inc.	318,559	221,047

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5X
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1988	1987	
Rapid Transit	$363,103	$256,506	
Ray Mac Supply Company	154,688	158,420	
Re-Jie, Inc.	75,430	114,119	
Regional Storage & Transport, Inc.	391,696	1,088,158	
Reynolds Trucking Co., Inc.	1,416,012	403,294	
Riggs, Robert J., Jr.	65,907	71,431	
Rivers Trucking, Inc.	413,390	360,897	
Roberson, Norman	61,179	58,865	
Robinson, Joe E.	58,193	69,539	
Roney, W. C., Trucking Co., Inc.	45,123	39,493	
Rooks Farm Service, Inc.	111,087	208,833	
Roscus-Draughon	142,998	120,000	
Rosdahl, Lloyd, Machinery Riggers, Inc.	27,540	34,371	
Routh Transportation, Inc.	193,677	77,441	
S & R Wrecker Service, Inc.	782,738	789,551	
S & W Motor Lines, Inc.	714,845	894,347	
STG Transport, Inc.	631,165	621,091	
Sampson Tobacco Warehouse, Inc.	15,493	4,105	
Sanders, Ervin	74,008	65,928	
Santita Trucking Company	2,825,728	1,832,882	
Seaboard Western Express, Inc.	504,647	55,436	
Shepard Motor Lines, Inc.	575,496	592,123	
Skyland Couriers, Inc.	13,422	14,688	
Smith, Alvin Alexander	122,918	152,890	
Smith, Edgar	54,933	51,488	
Smith, Ernest Thomas	62,246	68,477	
Smith, Joe Neil, Trucking	12,509	19,376	
Smith, Sam W.	164,254	110,449	
South Freight Service, Inc.	1,677,814	961,593	(A)
Southeastern Transport, Inc.	1,982,031	1,650,710	
Southern Freight Service, Inc.	109,375	133,990	
Southway Trucking Co., Inc.	1,354,292	1,164,621	
Spears, Rodney	60,200	69,320	
Spinco, Inc.	190,450	142,341	
Stainback Trucking, Inc.	319,191	195,293	
Stallings, Harold Ray	72,400	73,400	
Star Express, Inc.	507,771	613,684	
State Trucking Company	274,610	543,684	
Stegall Milling Company, Inc.	283,953	231,887	
Stonecutter Trucking Co., Inc.	1,033,160	1,042,416	
Swann, A. D., Trucking Company, Inc.	410,239	640,071	
Swicegood, Donald J.	329,962	221,589	
Swinson Trucking Company, Inc.	259,144	306,241	
TGH Enterprises, Inc.	195,502	173,464	
Tamway Trucking Co.	279,953	179,473	
Tank Lines, Inc.	1,222,084	1,026,331	

(A) Change in Scope of Operations
(B) Partial Year of Operations

FIGURE NO. 9-5L
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1988 AND 1987
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1988	1987
Tarheel Transport, Inc.	$772,111	$693,752
Thompson, David, Trucking Company	780,537	644,290
Thompson Distributor	81,768	56,929
Tidewater Fuels, Inc.	1,301,676	985,163
Tol-Co., Inc.	61,300	11,846
Tomahawk Trucking, Inc.	1,812,972	1,117,349
Triad Film Transport Company	4,691	0
Triad Transport, Inc.	325,703	280,535
Triangle Express	191,624	194,051
Triangle Trailer Rentals, Inc.	118,695	33,585
Truck Transfer Service, Inc.	703,880	373,300
Turnaire, Major Elihue	1,800	4,000
Twin City Warehouses, Inc.	139,968 (A)	66,202
Vickers, C. L., Transfer, Inc.	983,590	1,079,223
Waccamaw Transport, Inc.	933,825	792,555
Wagoner Trucking Company	124,114	80,193
Watson Transportation Co.	18,344	15,315
White Transfer & Storage Co., Inc.	$8,788	$88,329
Wilco Transport Company, Inc.	531,725	527,796
Wilkinson Freight Lines, Inc.	401,014	374,952
Williams, Melvin Douglas	57,865	55,000
Wilson, John C. III	19,339	45,360
Woodell Delivery Service, Inc.	294,570	42,391
Wright Motor Lines, Inc.	112,977	115,548
Young Transfer	1,274,850	1,195,814
Zackly Rite Trucking, Inc.	597,369	880,957
Total	$133,119,284	$110,955,351
Grand Total	$191,127,016	$164,459,076

(A) Change of Scope of Operations
(B) Partial Year of Operations
N/A Not Available

Grand Total Class III Motor Freight Carriers:
1988 = 519 Active Carriers
1987 = 609 Active Carriers

FIGURE NO. 9-6
CLASS III MOTOR FREIGHT CARRIERS -- AUTHORITY GRANTED IN 1988
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(ACTUAL DOLLARS)

MOBILE HOME MOVERS:	1988 TOTAL COMPANY REVENUE
All American Mobile Home Sales & Service	$64,873
American Mobile Home Moving Service	0
Backwoods Mobile Home Service & Repair	29,580
Blue Ridge Grading, Inc.	3,512
Brooks, Danny, Towing	13,885
Byrd, Franklin Yates	0
Cabarrus Mobile Home Towing, Inc.	0
Christian's Mobile Home Movers	8,527
Clark's Mobile Home Movers	0
Ellis of Wilkes, Inc.	0
Franklin's, Johnny, Mob. Home Mov. & Ser.	0
Junior's Mobile Home Sales & Serivice, Inc.	0
Landmark Mobile Homes, Inc.	0
Marlowe's Mobile Home Repair	32,520
Miller Movers	6,111
Mobile Home Movers & Service	32,899
National Modular Home Service	117,307
Overbay Transport	474,415
Piedmont Mobile Home Setup & Service	5,250
Reavis, Bobby, Mobile Home Moving	0
Steve's Transport	480
Total (21)	$789,359

HOUSEHOLD GOODS MOVERS:	
A & A Moving	$45,668
Haley Transfer & Storage, Inc.	0
Joe's Moving & Hauling	8,262
Matthews Moving Systems, Inc.	100,274
Mitchell Brothers Moving	17,791
Wainwright Transfer Company of Fayetteville, I	0
West Brothers Moving & Storage, Inc.	763,244
Total (7)	$935,239

GENERAL FREIGHT MOVERS:	
Anderson Trucking Company	$85,020
Barrett Trucking Company	44,077
Bass, Dennis L., Contract Carrier	5,717
Bean Express	447,805
Bevtran, Inc.	259,036
Bryant & Sons Auto & Farm Equipment Movers	0
Brytran, Inc.	574,547
Budget Courier Service, Inc.	12,864
C & M Enterprise	62,619
C & O Trucking	97,676

GENERAL FREIGHT MOVERS:	1988 TOTAL COMPANY REVENUE
C.J.S. Courier Service Plus, Inc.	$212,385
C.L.C. Rentals, Inc.	0
Carolina Parcel Service	75,226
Chemical Cartage, Inc.	154,920
Chestnut Enterprises Trucking	110,760
Childers, Jerry W., Inc.	41,422
Clark Transportation Service, Inc.	108,748
Coastal Wrecker Service, Inc.	87,036
Colt Fast Delivery, Inc.	202,370
Commercial Equipment Company, Inc.	0
Continental Industrial Chemicals, Inc.	9,150
Curlee Trucking, Inc.	226,176
D & D Contractors, Inc.	14,771
Eastern Fuels Transport, Inc.	1,352,316
Everette, W., Company	31,198
First Choice Towing	5,949
Fleig Leasing, Inc.	1,569,536
Gate City Towing Service, Inc.	105,389
Gold Hill Trucking Company, Inc.	37,957
Harrison, Silas Jr., Inc.	176,923
Hatchell Oil Company, Inc.	66,086
Hawley Transport, Inc.	1,976,548
Hazardous Waste Transport, Inc.	405,486
Hilco Transport, Inc.	1,413,622
Humboldt Express, Inc.	28,544,449
Ivory, Inc.	36,286,971
J.H.M. Leasing, Inc.	10,415
Kentec, Inc.	72,050
L & R Trucking	38,233
Lewis, J. W., Transport, Inc.	0
Locklear, C. D.	N/R
M & C Trucking	78,964
M & E Express Couriers, Inc.	20,000
Majors, Fred G.	3,622
McAlexander Cartage, Inc.	0
McFarling, M.H., Trucking Company	21,612
McLawhorn, Charles M.	50,400
Mode, Ken	0
Modular Transporters	0
A Motor Freight Specialist	565,851
Myers Men, Inc.	6,682,023
Locklear, C. D., Trucking Company	340,000
Package Pickup Service, Inc.	343
Palco Trucking, Inc.	191,874
Petroleum Express	0
Piedmont Transportation, Inc.	197,387
Pioneer Trucking Company	108,507
RTC Transportation, Inc.	62,810,879

FIGURE NO. 9-6 CONTINUED
CLASS III MOTOR FREIGHT CARRIERS -- AUTHORITY GRANTED IN 1988
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(ACTUAL DOLLARS)

GENERAL FREIGHT MOVERS CONTINUED:	1988 TOTAL COMPANY REVENUE
Ranger Transportation, Inc.	209,916,466
Reco Transportation	$0
Ree Trucking, Inc.	12,646
Reliable Delivery	7,322
Respess Trucking, Inc.	194,195
Roberts Delivery, Inc.	6,300
Robinette Trucking, Inc.	49,472
S.A.F.E.	665,440
Snow, Jerry J., Trucking, Inc.	66,729
Southern Container Corporation	11,095
Speedy-Pak, Inc.	1,970,272
Storr Office Environments, Inc.	0
Suiter, John Arthur Jr.	80,986
Sykes, Edward Stewart	72,177
Taylor Express, Inc.	536,687
Thomas & Howard Company of Hickory, Inc.	220,894
Triad Distribution Service	100,802
Triangle Building Supply, Inc.	11,097
Turner, Guy M., Inc.	1,802,491
Westover Express, Inc.	160,977
Willcar, Inc.	24,390
Williams, A.T., Oil Company, Inc.	0
Yarborough Enterprises	M/R
Total (81)	$361,006,453
Grand Total (109)	$362,731,051

M/R = No Annual Report Filed

FIGURE NO. 9-7

INACTIVE MOTOR FREIGHT CARRIERS--CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
FOR THE CALENDAR YEAR 1988

MOBILE HOME CARRIERS:

Action Freight Lines, Inc.
Atlantis Transporters
Bales, Marvol Dean
Brafford, Boyd W., Jr.
Ed's Used Cars
Eric's Mobile Home Service
Frank's Mobile Home Movers
Glover Sales, Inc.
Helms Mobile Home Towing
Heritage Homes, Inc.
Harris Mobile Home Movers
Hudson Properties, Inc.
J & D Mobile Home Service
Jerry's Mobile Home Service & Movers
Mobile Home Movers, Alan McChesney Brown
Moncure, Henry, Motors, Inc.
P & G, Inc.
P & Y Mobile Homes, Inc.
Pamlico Mobile Home Movers
Ratley Mobile Home Sales & Service
Rorer, Russell D., Mobile Homes
Tarheel Wheel & Axle, Inc.
Tommy's Garage
Tom's Mobile Home Parts, Sales & Service
Waddell, Jackie, Mobile Homes
Wilson Enterprises, Inc.

TOTAL MOBILE HOME CARRIERS--26

HOUSEHOLD GOODS CARRIERS:

Alamance Transfer & Storage Co., Inc.
American Relocation
B & W Local Moving, Inc.
Branch Moving & Storage
Century Movers, Inc.
Dixie Moving & Storage Co., Inc.
Farrar Transfer & Storage Warehouse, Inc.
Hill, I. M., Transfer & Storage
Hood Moving & Storage, Inc.
Jiffy Moving & Storage
Jones, Henderson Samuel, Transfer
Native American Trucking Company
North American Trans. & Storage of Asheville, Inc.
Seaboard Moving & Storage, Inc.
Thomas Transfer, Inc.
Weathers Bros. Mov. & Sto[illegible] Co., Inc.
Wilmington Oil & Moving Service, Inc.

TOTAL HOUSEHOLD GOODS CARRIERS--17

GENERAL FREIGHT CARRIERS:

AJS Trucking Company
Adams, Thad J., Jr.
Allred Boat Transport
Atlantic Oil Service, Inc.
Bridgeways Company, Inc.
Buckhorn Trucking Company
Coca Cola Bottling Company Consolidated
Council, Artice Lee
Champion Storage & Trucking Co., Inc.
Daily Delivery Service
Daniel-Keck Taxi Co., Inc.
Davis Transportation
Dixon, Frances Maelois
Dixon Trucking Co., Inc.
E & B Corporation
Eller, Sam D., Motor Carrier, Inc.
Erwin Oil Company, Inc.
Eure, C. M., Trucking, Inc.
Falcon Courier, Inc.
Farmers Oil Company, Inc.
Federated Transport, Inc.
Gardner-Creech Oil Company, Inc.
Gate City Delivery Service
Godwin Transport Company, Inc.
Gorris Eggleston Oil Transport
H & H Transport
H & M Wood Preserving, Inc.
Harvey, L. & Son, Company
Hendrix, T. C., Jr.
Hill-Top Transport Company
Hollowell Transportation Co., Inc.
Honeycutt, J. B., Co., Inc.
Hopper Bros., Inc.
Hutchens Trucking Company
Interstate Cartage Co., Inc.
J & W Service
Jenkins, J. W., Inc.
Johnson Truckers, Amtruc, Inc.
Jones Transfer, Inc.
Kindle's Pickup and Delivery
Lewis Contract Carriers
Liberty Transportation Lines
Lumbee Trucking Co., Inc.
Lawndale Transportation
M & M Transport
MCB Trucking, Inc.
Marsh's Trucking Company
Martin, W. M., Company, Inc.
Maxton Oil & Fertilizer
Metro Air Land Express

FIGURE NO. 9-7 CONTINUED

INACTIVE MOTOR FREIGHT CARRIERS--CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
FOR THE CALENDAR YEAR 1988

GENERAL FREIGHT CARRIERS:

Mitchell, Cyrus A., Jr.
Mooresville Oil Co., Inc.
Mullens, Henry, Trucking
Mustang Transportation
The News & Observer
North State Transport
Owens & Minor
Pacemaker Corporation
Pelican Air Pak
Perry's Transfer Company
Pilot Van Lines, Inc.
Pipe Line Haulers, Inc.
Porter, John E.
Professional Transport
Quinn, James Elwood
REM Trucking Company
Roberts-Linker, Inc.
Rupard, C. B. & Sons, Inc.
S. E. Transport
Self Scrap Metal Company
Shaw & Sons Trucking Company

GENERAL FREIGHT CARRIERS:

Smith, Donald A.
Smith, Larry D.
Stewart, Herman
Stewart, Michael T.
Swain, Bob, Inc.
Tedder, Foster R., Sr.
Tharrington Brothers
Tilton's Delivery Service
Timber Trucking Company
Tobacco Growers Service, Inc.
Tobacco Transport
Tri-County Transport, Inc.
Triple A Transport
Turrentine, Lewis
Twisdale Trucking Company
Tyler, James L.
Venture Trucking Company
Wall Delivery Service, Inc.
Watts Trucking Company
White, Donnie, Trucking

TOTAL GENERAL FREIGHT CARRIERS--91

GRAND TOTAL INACTIVE CARRIERS--134

Inactive Motor Freight Carriers are carriers who did not file an annual report for 1988 or carriers who filed their report with no activity for year in order to keep their certificate for future years.

FIGURE NO. 9-8

General Rate Increases Approved for Motor Freight Carriers
During Calendar Year 1988

Docket Number	Date Filed	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
T-825, Sub 301	2-5-88	$10,000	$10,000	100.0%	3-31-88
T-825, Sub 304	5-10-88	309	309	100.0%	6-10-88
T-1316, Sub 25	2-1-88	2,487	2,487	100.0%	2-1-88
T-825, Sub 302	2-5-88	70	70	100.0%	2-22-88
Total		$12,866	$12,866	100.0%	

X. The Transportation Industry - Motor Passenger Carriers

A. GENERAL COMMENTS

1. REGULATED PRIVATELY OWNED SECTORS

For the purpose of filing annual reports, both the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) authorized the following classifications effective January 1, 1980, for the motor passenger carriers:

CLASSIFICATION	REQUIREMENTS
Class I	$3,000,000 or more annual operating revenues
Class II	$500,000--$3,000,000 annual operating revenues
Class III	Under $500,000 annual operating revenues

As of December 31, 1988, there were 125 companies franchised to operate under the regulation of the North Carolina Utilities Commission. See Figure No. 10-1 for a list of the companies and their scope of operations. The two bus systems operated by Duke Power Company in Durham and Greensboro are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these two carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operations. The remaining 123 carriers are fully regulated by the Commission. These companies include, 62 transportation brokers, three motor boat common carriers, and 58 motor passenger carriers. Transportation brokers, as herein used, means any person not a bona fide employee or agent of a motor carrier who engages in the business of selling or offering for sale any transportation of passengers by motor carriers for compensation, either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service. There is no operating data for the 62 brokers involved in this report. Operating data is included for the 58 motor passenger carriers who filed 1988 annual reports with the Commission.

2. NONREGULATED PUBLICLY OWNED SECTOR

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However, these systems are providing transportation to large numbers of intracity passengers as shown by the following ridership figures:

Unregulated Intracity Ridership

Calendar Year	Passengers
1981	22,866,452*
1982	22,553,958*
1983	21,221,389*
1984	21,291,471*
1985	21,179,555*
1986	22,150,923*
1987	21,901,872*
1988	23,141,608*

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several federal grant programs and a state grant program as well as fostering the development of the public transportation system in North Carolina. For further information on this agency's activities, please contact the N.C. Department of Transportation, P. O. Box 25201, Raleigh, North Carolina 27602.

*Source: Public Transportation Division--North Carolina Department of Public Transportation: Systems included in the data are Asheville, Chapel Hill, Charlotte, Fayetteville, Gastonia, Greenville, High Point, Raleigh, Salisbury, Wilmington, Wilson, and Winston-Salem. The bus systems in Durham and Greensboro are regulated and owned by Duke Power Company. The

ridership for these systems is omitted from this data.

BUS DEREGULATION

The Bus Regulatory Reform Act of 1982 enacted by Congress granted intercity bus companies wide-ranging freedoms to adjust their services and rates. Under this act, if any intercity bus company files with the Commission for an increase in its rates, and the Commission approves a level of rates which is less than that requested, the carrier can then appeal the Commission's decision to the ICC. Under the Bus Act, the ICC is compelled to grant the carrier the full relief sought if the intrastate rates are less than similar interstate rates. Since the enactment of the Bus Act, all proceedings in which the Commission denied the rate relief sought in whole or in part, and the request was appealed to the ICC, the ICC granted the full relief sought.

B. INTERCITY MOTOR PASSENGER CARRIERS

Financial and statistical data is presented for the 46 regulated intercity carriers having separate operations during 1988 who filed annual reports with the North Carolina Utilities Commission. The intercity carriers have franchise and operating rights to serve two or more points and are further classed and operate as common or contract carriers over interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1987, and 1988.

Classification	1987 Number of Carriers	1988 Number of Carriers
Class I	5	5
Class II	6	8
Class III	29	45
Total	40	58

Type Carrier	1987 Number of Carriers	1988 Number of Carriers
Common	39	57
Contract	1	1
Total	40	58
Scope of Operations		
Interstate	6	8
Intrastate	34	50
Total	40	58

C. FARE INCREASES AUTHORIZED--INTERCITY

There were no intercity motor passenger carrier fare increases in 1988.

D. STATISTICAL SUMMARY DATA--INTERCITY

In 1988 the five Class I intercity motor carriers accounted for approximately 75% of the North Carolina total intercity gross operating revenues including the Class III carriers. For their North Carolina operations, the 1988 Class I intercity carriers experienced a 19.1% decrease from their 1987 operations.

Systemwide operations for the Class I carriers in 1988 show an increase of 6.1% in operating revenues compared with 1987. There was a decrease of 3% in operating expenses in 1988. The operating ratio for the Class I carriers in 1988 was 94.6% compared with 103.9% in 1987.

E. INTRACITY MOTOR PASSENGER CARRIERS COMMENTS

During 1988, there were two intracity carriers operating under the jurisdiction of the North Carolina Utilities Commission who filed their annual reports. These intracity carriers are Duke Power Company -- Durham and Duke Power Company -- Greensboro.

There have been no fare increases authorized for intracity bus carriers since 1981.

F. STATISTICAL SUMMARY DATA--INTRACITY

Figure No. 10-6 shows a summary of selected income items and operational statistics for the calendar years 1987 and 1988 for the intracity motor passenger carriers. There are no Class I or III carriers presently in this group. Information is given for the two carriers who filed 1988 annual reports.

FIGURE NO. 10-1
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1988

	Scope of Operations*	
Class I Carriers:	Interstate	Intercity
Carolina American Tours	X	X
Carolina Coach Company (1)	X	X
Greyhound Lines (2)	X	X
Seashore Transportation	X	X
Trailways Lines, Inc.	X	X
Total Carriers--5	5	5
Class II Carriers:		
America Charters, Ltd.		X
American Coach Lines	X	X
Blue Ridge Lines, Ltd.		X
Kannapolis Transit Company, Inc.		X
Nancy & Dwight's Holiday Tours		X
Piedmont Coach Lines, Inc.	X	X
Southern Coach Company		X
Young's Transportation		X
Total Carriers--8	2	8
Class II Carriers:	Intracity Only	
Duke Power Company-Durham		X
Duke Power Company-Greensboro		X
Total Carriers--2		2
Class III Carriers:	Interstate	Intercity
Adventures in Travel		X
Archie's Bus & Transit Services		X
Barefoot Tours and Charter Service		X
Brown's Scenic Cruiser, Inc.(3)		X
Carolina Transit Lines of Charlotte		X
Crystal Coast Tours		X
Deese Coach Lines		X
Dillahunt, John T.		X
Dills & Carpenter Transit		X
Eagle Parlor Tours of VA., Inc.		X
East American Coach		X
Emma Bus Lines, Inc.		X
Forte's Charter Bus & Van Service		X
Gallop Bus Lines, Ltd.		X

*All carriers have intracity authority pursuant to Commission Rule R2-69.

(1) Leasing regular route authority of Seashore Transportation Company (Docket No. B-15, Sub 196, Dated June 7, 1988).
(2) Easter and Southern Greyhound Lines' authority was transferred to Greyhound Lines, Inc. (Docket no. B-7, Sub 106, dated January 25, 1988).
(3) Irregular route common carrier authority granted (Docket No. B-466, dated May 1, 1987).

FIGURE NO. 10-1 CONTINUED
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1988

	Scope of Operations*	
Class III Carriers (Continued):	Interstate	Intercity
Go Travels		X
Happy Travelers Tours		X
Highland Tour and Charter, Inc.		X
Hill, Jesse, Tours, Inc. (1)		X
Holiday Express, Inc.		X
Houston Transport Company, Inc.		X
Interstate America Coach Lines		X
Ivey Coaches		X
J & R Charter Service, Inc.		X
Joshlis Charters		X
King's Charters		X
Lacy & Sons, Inc.		X
L.U.V. Transportation		X
Lake Gaston Bus Service		X
McBroom Coach, Inc.		X
Mountain Majic Tours		X
New Hope Charters		X
Mooney Bus Lines, Inc.		X
Piedmont Transit, Inc.		X
Prestige Charters & Tours, Inc.		X
Roanoke-Chowan Travel		X
Sea Island Stages		X
Scenic Tours, Inc.		X
Southern Tours, Inc.		X
Sun Land Tours, Inc.		X
Thompson Travel Services, Inc.		X
Trans-Service, Inc.		X
Transit Enterprise Systems, Inc.		X
Travel Professionals, Inc.		X
Triad Lines, Inc.		X
Walnut Cove Coach Line, Inc.		X
Total Carriers--45	0	45
Motor Boat Common Carriers:		
Carteret Boat Tours, Inc.		X
Morris Marina, Kabin Kamps & Ferry Service		X
Willis, Alger G., Fishing Camps, Inc.		X
Total Carriers--3	0	3
Grand Total Carriers--63		

*All carriers have intracity authority pursuant to Commission Rule R2-69.

(1) Irregular route common carrier authority granted (Docket No. B-465, dated April 27, 1987).

FIGURE NO. 10-1A
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1988

Transportation Brokers (All Intercity):

Activity Designers of Raleigh
P. O. Box 6135
Raleigh, N. C. 27623

Albertson, Charles W.
Route 2, Box 141 E
Beaulaville, N. C. 28518

B J & M Tours
127 Poplar Street
Roanoke Rapids, N. C. 27870

Beamer, Nancy, Tours
1927 Miller Road
Mount Airy, N. C. 27030

Brantley Tours, Inc.
1106 Tremont Road
Wilson, N. C. 27893

Bullock Tours
Route 1
Kinston, N. C. 28501

Care-Free Travels
P. O. Box 2623
Greenville, N. C. 27836

Caro-Lan Tours, Inc.
4 Barksdale Drive
Jacksonville, N. C. 28540

Carolina Tours
30 Cherry Grove Road
Asheville, N. C. 28805

Carousel of Raleigh
3907 Yadkin Drive
Raleigh, N. C.

Charlotte Visitours, Inc.
6525 Morrison Blvd.
Charlotte, N. C. 28222

Circle Tours, Inc.
P. O. Box 12318
Durham, N. C. 27708

Country Cottage Tours
Clyde Pearce Road
Zebulon, N. C. 27597

Convenient Tours
6318E 1, Box 336-A
Ash, N. C. 28420

Cowan Tours, Inc.
205 Dennis Avenue
Raleigh, N. C. 27604

Cristal Tours
P.O. Box 5113
High Point, N. C. 27262

Cross Country Tours of NC, Inc.
895 Peters Creek Parkway
Winston-Salem, N. C. 27103

Custom Travel Services, Inc.
P. O. Box 58085
Raleigh, N. C.

Davis Tours
118 Grandview Lane
Hendersonville, N. C. 28739

Daybreak Sing, Inc.
508 Merriweather Drive
King, N. C. 27021

Edwards, Patricia T.
1501 Pineview Avenue
Wilson, N. C. 27893

Express Tours
3745 Tulip Drive
Winston Salem, N. C. 27105

Five Star Tours
P. O. Box 1353
Smithfield, N. C. 27577

Four Wynnes, Inc.
Route 1, Box 463A
Winterville, N. C. 28590

Getaway Unlimited Tours
P. O. Box 40876
Raleigh, N. C. 27629

Gough Tours
P. O. Box 5827
Winston Salem, N. C. 27105

Great Getaway Tours, Inc.
1826 Oakdale Road
Charlotte, N. C. 28216

Green, Conley F., Sr.
P. O. Box 1169
Charlotte, N. C. 28216

Group & Individual Travel (NC Travel)
802 W. Broad Street
Dunn, N. C. 28334

Hazel, Kay, Tours
910 Alice Drive
Thomasville, N. C. 27360

Hepler Tours
Route 1, Box 184-C
Hamptonville, N. C. 27020

Heritage Tours
409 South Battleground Road
Kings Mountain, N. C. 28086

Hubbard Tours
P. O. Box 6415
Winston Salem, N. C. 27109

International Tourist Group
2120 California Drive
Lumberton, N. C. 28358

Introducing Asheville
One Lynwood Road
Asheville, N. C. 28804

Jaunts and Journeys, Inc.
P. O. Box 15301
Winston Salem, N. C. 27133

Johnston Lion's Club
Johnston School Rd., Route 8
Asheville, N. C. 28805

Longs Travel Agency
112 East Washington Street
Rockingham, N. C. 28379

Manning Tours, Inc.
P. O. Box 385
Elizabeth City, N. C. 27907

FIGURE NO. 10-1A, CONTINUED
MOTOR PASSENGER BROKERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1988

Transportation Brokers Continued:

Meetings, Incorporated
1409 East Blvd.
Charlotte, N. C. 28208

Moore Tours, Inc.
P. O. Box 1169
Charlotte, N. C. 28206

N.C. State Motor Club
2422 North Tryon Street
Charlotte, N. C. 28206

New Bern Guided Tours
P. O. Box 5223
New Bern, N. C. 28560

North Carolina First Tours
613 Carthage Street
Sanford, N. C. 27330

Northeastern Travel Services
P. O. Box 1486
Elizabeth City, N. C. 27909

P & B Travels
P. O. box 253
Lexington, N. C. 27292

Per-Flo Tours, Inc.
P. O. Box 1452
Goldsboro, N. C. 27530

Piedmont Tours of Burlington, Inc.
Route 4, Box 353
Burlington, N. C. 27215

Scurlock's Travel & Tours
P. O. Box 424
Pittsboro, N. C. 27312

Sheryl's Tours, Inc.
2860 Knobb Hill Avenue
Clemmons, N. C. 27012

Sue's V I P Tours
3808 Ed Drive
Raleigh, N. C. 27612

Task, Inc.
4424 Leesville Road
Raleigh, N. C. 27615

Talks, Tours & Things
P. O. Box 3211
Chapel Hill, N. C. 27515

Thacker, Ginger, Tours
714 B. Westchester
High Point, N. C. 27260

Tours & Functions
P. O. Box 32021
Raleigh, N. C. 27612

Travel Masters
P. O. box 2928
New Bern, N. C. 28562

Travel Time of Salisbury
1529 W. Innes Street
Salisbury, N. C. 28144

Travel Tours, Inc.
5624 Executive Center Drive
Charlotte, N. C. 28212

Trekmaker
2411 Fairway Drive
Winston Salem, N. C. 27103

Western Carolina Tours, Inc.
P. O. Box 8544
Asheville, N. C. 28814

Williams, Roy B.
2813 Anderson Drive
Raleigh, N. C. 27608

Woodall, Ruth, Tours
Route 2, Box 151
Selma, N. C. 27576

Total Brokers -- 62

FIGURE NO. 10-2

CLASS I MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1987 and 1988
(North Carolina and Systemwide Data Noted)

ITEMS	Year	Carolina American Tours	Carolina Coach Company	Greyhound Lines, Inc. (1)	Seashore Transportation Company	Trailways Lines, Inc. (1)	Total Class I
Operating Revenues (N.C. Portion):	1987	$3,925,363	$7,266,925	$12,866,585	$1,934,211	$676,962	$26,670,046
	1988	$4,648,905	$8,142,229	$8,826,614	$783,530	$0	$22,401,278
INCOME ITEMS (SYSTEMWIDE):							
Operating Revenues	1987	$3,925,363	$16,525,015	$714,195,388	$2,447,161	$87,214,473	$824,307,400
	1988	$4,648,905	$17,972,662	$854,063,989	$1,003,887	$0	$877,689,443
Operating Expenses	1987	3,992,676	13,634,684	711,261,982	2,646,765	125,022,471	856,558,578
	1988	4,637,452	16,200,922	808,535,453	1,268,498	0	830,642,325
Net Operating Income Before Taxes	1987	($67,313)	$2,890,331	$2,933,406	($199,604)	($37,807,998)	($32,251,178)
	1988	$11,453	$1,771,740	$45,528,536	($264,611)	$0	$47,047,118
Other Income (Deductions)--Net	1987	20,996	151,885	(15,396,867)	(28,311)	0	(15,252,297)
	1988	(11,224)	120,124	(61,399,650)	229,346	0	(61,061,404)
Income Taxes	1987	0	505,000	6,282,000	0	(3,070,394)	3,716,606
	1988	0	1,036,520	1,593,467	0	0	2,629,987
Extraordinary Items	1987	0	0	0	0	0	0
	1988	0	0	0	0	0	0
Net Income After Taxes	1987	($46,317)	$2,537,216	($18,745,461)	($227,915)	($34,737,604)	($51,220,081)
	1988	$229	$855,344	($17,464,581)	($35,265)	$0	($16,644,273)
Operating Ratio	1987	101.7%	82.5%	99.6%	108.2%	143.4%	103.9%
	1988	99.8%	90.1%	94.7%	126.4%	N/A	94.6%
STATISTICS (N.C. ONLY):							
Total Bus Miles Operated	1987	1,045,368	3,554,280	5,881,412	1,229,162	1,533,433	13,243,655
	1988	1,182,978	3,631,782	6,059,450	346,457	N/A	11,220,667
Length of bus route--miles--one way (actual)	1987	N/A	2,103	2,083	1,323	2,446	7,955
	1988	N/A	2,103	2,138	1,323	N/A	5,564
Total gallons diesel fuel purchased or used	1987	182,888	344,225	843,375	204,860	235,878	1,811,226
	1988	196,346	349,946	1,105,739	95,316	N/A	1,747,347

N/A--Not Available

(1) The 1987 Trailways data is for the first half of the year. The last half year data is included with the 1987 Greyhound data. The 1988 data is included with Greyhound for the entire year.

FIGURE NO. 10-2 CONTINUED
CLASS I MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1987 and 1988
(North Carolina and Systemwide Data Noted)

ITEMS	Year	Carolina American Tours	Carolina Coach Company	Greyhound Lines, Inc. (1)	Seashore Transportation Company	Trailways Lines, Inc. (1)	Total Class I
*No. of tickets sold which originated in N.C.	1987	N/A	259,737	221,455	50,559	N/A	531,751
	1988	N/A	229,784	109,676	19,301	N/A	358,761
*Revenue for tickets originating in N.C.	1987	N/A	$5,231,101	$9,422,928	$897,429	$434,935	$15,986,393
	1988	N/A	$6,560,327	$4,947,498	$342,576	N/A	$11,850,401
*Average revenue per ticket originating in N.C.	1987	N/A	$20.14	$42.55	$17.75	N/A	$26.81
	1988	N/A	$28.55	$45.11	$17.75	N/A	$33.03
Other revenue originating in N.C. by charter & express	1987	$3,925,363	$2,035,824	$3,443,657	$1,549,732	$242,027	$11,196,603
	1988	$4,648,905	$1,581,902	$3,879,116	$603,491	$0	$10,713,414
Average number of N.C. employees (actual)	1987	100	212	448	55	167	982
	1988	94	171	617	20	N/A	902
STATISTICS (SYSTEMWIDE):							
No. revenue passengers carried	1987	62,000	1,045,378	45,974,253	100,754	4,257,345	51,439,730
	1988	70,000	1,098,992	27,822,170	22,368	N/A	29,013,530
Total number of buses owned (actual)	1987	53	N/A	N/A	27	N/A	80
	1988	52	N/A	N/A	21	N/A	73

* Excludes charter & school passengers
N/A Not Available
(1) The 1987 Trailways data is for the first half of the year. The last half year data is included with the 1987 Greyhound data. The 1988 data is included with Greyhound for the entire year.

FIGURE NO. 10-3

CLASS II MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1987 and 1988
(North Carolina and Systemwide Data Noted)

INCOME ITEMS	Year	America Charters Ltd.	American Coach Lines	Blue Ridge Lines Ltd.	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday	Piedmont Coach Lines	Southern Coach Company	Young's Transportation	Total Class II
OPERATING REVENUES (N.C. PORTION):	1987	$1,888,547	$136,866	$290,893	$585,382	$225,795	$1,613,700	$753,656	$909,655	$6,403,494
	1988	$2,434,608	$150,700	$840,813	$539,362	$905,988	$1,878,024	$1,607,765	$2,077,635	$10,434,895
INCOME ITEMS (SYSTEMWIDE):										
Operating Revenues	1987	$1,888,547	$2,665,037	$843,026	$992,075	$2,624,840	$2,521,406	$1,371,379	$1,594,133	$14,500,443
	1988	$2,434,608	$3,090,211	$1,204,067	$930,221	$2,841,869	$2,845,491	$1,607,765	$2,077,635	$17,031,867
Operating Expenses	1987	1,973,832	2,649,004	744,744	955,172	2,402,712	2,449,188	1,428,642	1,508,752	14,112,046
	1988	$2,203,290	2,984,909	1,250,006	889,984	2,545,803	2,763,651	1,664,662	2,020,618	16,322,923
Net Operating Income Before Taxes	1987	($85,285)	$16,033	$98,282	$36,903	$222,128	$72,218	($57,263)	$85,381	$388,397
	1988	$231,318	$105,302	($45,939)	$40,237	$296,066	$81,840	($5%,897)	$57,017	$708,944
Other Income (Deductions)--Net	1987	30,118	44,634	3,911	0	(51,658)	(93,473)	93,230	(21,530)	5,232
	1988	(75,210)	(93,000)	48,133	271	(95,838)	(90,988)	128,937	(63,183)	(240,878)
Income Taxes	1987	(3,235)	0	6,484	2,168	12,000	0	9,118	0	26,535
	1988	38,660	0	6,463	2,928	50,277	0	21,805	0	120,133
Extraordinary Items	1987	0	0	0	0	0	0	0	0	0
	1988	0	0	0	0	0	0	0	0	0
Net Income After Taxes	1987	($51,932)	$60,667	$95,709	$34,735	$158,470	($21,255)	$26,849	$63,851	$367,094
	1988	$117,448	$12,302	($4,269)	$37,580	$149,951	($9,148)	$50,235	($6,166)	$347,933
Operating Ratio	1987	104.5%	99.4%	88.3%	96.3%	91.5%	97.1%	104.2%	94.6%	97.3%
	1988	90.5%	96.6%	103.8%	95.7%	89.6%	97.1%	103.5%	97.3%	95.8%
STATISTICS (N.C. ONLY):										
Total Bus Miles Operated	1987	N/A	97,414	113,523	222,017	162,220	671,784	340,251	247,749	1,854,958
	1988	425,098	101,990	75,190	262,144	158,119	877,521	435,960	285,015	2,621,037
Length of bus route--miles--one way (actual)	1987	N/A	83	45	N/A	N/A	N/A	N/A	N/A	128
	1988	N/A	83	59	N/A	N/A	N/A	N/A	N/A	142
Total gallons gasoline purchased or used	1987	N/A	0	0	0	N/A	N/A	9,587	0	9,587
	1988	N/A	0	0	0	N/A	N/A	18,233	N/A	18,233
Total gallons diesel fuel purchased or used	1987	N/A	16,935	54,737	37,003	27,551	136,870	108,958	48,740	430,794
	1988	N/A	19,375	61,719	59,799	28,770	161,175	112,311	N/A	443,149
Average number of N.C. employees (actual)	1987	39	1	11	11	N/A	43	24	41	170
	1988	32	N/A		14	N/A		53	19	118

N/A--Not Available

FIGURE NO. 10-3 CONTINUED

CLASS II MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1987 and 1988
(North Carolina and Systemwide Data Noted)

	Year	America Charters Ltd.	American Coach Lines	Blue Ridge Lines Ltd.	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday	Piedmont Coach Lines	Southern Coach Company	Young's Transportation	Total Class II
STATISTICS (SYSTEMWIDE):										
No. revenue passengers carried	1987	N/A	N/A	$8,414	46,000	20,672	N/A	83,021	85,000	243,107
	1988	N/A	N/A		46,000	23,016		N/A	83,240	152,256
Total number of buses owned (actual)	1987	22	29	11	N/A	11	50	19	30	172
	1988	20	28		N/A	10		19	23	100

N/A--Not Available

FIGURE NO. 10-4

MOTOR PASSENGER CARRIERS--INTERCITY--CLASS III
Summary of Total Revenues and Expenses
For the Calendar Years 1987 and 1988

INTERCITY	TOTAL COMPANY OPERATING REVENUES		TOTAL COMPANY OPERATING EXPENSES		TOTAL COMPANY OPERATING RATIO	
CLASS III CARRIER	1987	1988	1987	1988	1987	1988
Archie's Bus & Transit	I	$1,500	I	$500	I	33.3%
Brown's Scenic Cruiser	$9,318	56,565	$20,027	96,431	214.9%	170.5%
Carolina Transit Lines of Charlotte	329,492	432,580	297,192	611,121	90.2%	141.3%
Crystal Coast Tours	25,382	153,596	35,741	163,143	140.8%	106.2%
Dillahunt, John T.	4,765	800	6,447	2,611	135.3%	326.4%
Dills & Carpenter Transit	40,738	83,892	N/A	16,051	N/C	19.1%
East American Coach	501,243	478,682	510,260	477,205	101.8%	99.7%
Emma Bus Lines	222,753	226,357	234,190	225,100	105.1%	99.4%
Forte's Chartered Bus & Van Services	35,362	0	35,424	0	100.2%	0.0%
Go Travelers	1,535	100,400	3,650	62,231	237.8%	62.0%
Hill, Jesse, Tours, Inc.	283,551	358,273	274,178	345,855	96.7%	96.5%
Holiday Express, Inc.	159,270	222,951	163,251	235,252	102.5%	105.5%
Houston Transport Company	219,015	243,615	200,439	220,839	91.5%	90.7%
J & R Charter Service, Inc.	101,706	113,972	96,031	112,616	94.4%	98.8%
Joshlis Charter	66,700	86,565	65,817	78,641	98.7%	90.8%
L.U.V. Transportation	40,382	N/R	40,077	N/R	99.2%	N/C
Lake Gaston Bus Service	4,359	32,308	2,615	44,063	60.0%	136.4%
McBroom Coach, Inc.	262,736	265,519	229,134	257,022	87.2%	96.8%
Mountain Majic Tours, Inc.	1,115	11,561	11,912	17,568	1068.3%	152.0%
New Hope Charter, Inc.	157,815	215,431	164,293	224,713	104.1%	104.3%
Nooney Bus Lines, Inc.	76,338	74,820	76,639	75,819	100.4%	101.3%
Piedmont Transit, Inc.	236,476	223,108	235,751	207,630	99.7%	93.1%
Scenic Tours, Inc.	68,203	184,518	68,329	178,388	100.2%	96.7%
Southern Tours, Inc.	370,082	432,360	436,191	432,540	117.9%	100.0%
Thompson Travel Services, Inc.	101,366	96,118	104,206	122,148	102.8%	127.1%
Trans Service, Inc.	237,185	173,592	266,965	233,892	112.6%	134.7%
Travel Professionals, Inc.	135,604	144,466	106,643	194,756	78.6%	134.8%
Triad Lines, Inc.	376,029	248,272	386,251	274,313	102.7%	110.5%
Walnut Cove Coach Line, Inc.	0	0	0	0	N/C	N/C
TOTAL	$4,068,520	$4,661,821	$4,071,653	$4,910,448	100.1%	105.3%

I = Report was filed, but information was incomplete.
N/A = Report was filed, but information was not available.
N/R = No report was filed, company has requested cancellation of authority.
N/C = Not Comparable

FIGURE NO. 10-5

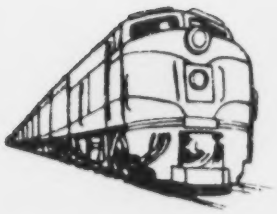
CLASS III MOTOR PASSENGER CARRIERS--INTERCITY--AUTHORITY GRANTED IN 1988
Summary of Total Company Revenues and Expenses

COMPANY	OPERATING REVENUES	OPERATING EXPENSES	OPERATING RATIO
Adventures in Travel	$113,940	$126,288	110.8%
Barefoot Tours and Charter Service	35,583	27,096	76.1%
Deese Coach Lines	617,987	600,777	97.2%
Eagle Parlor Tours of VA., Inc.	63,906	49,647	77.7%
Gallop Bus Lines	1,415,305	1,482,353	104.7%
Happy Travelers Tours	93,202	89,381	95.9%
Highland Tour and Charter, Inc.	91,144	99,417	109.1%
Interstate America Coach Lines	0	0	0.0%
Ivey Coaches	N/R	N/R	0.0%
King's Charter	N/R	N/R	0.0%
Lacy & Sons, Inc.	3,565	7,383	207.1%
Prestige Charters & Tours, Inc.	149,525	211,600	141.5%
Roanoke-Chowan Travel	49,636	93,032	187.4%
Sea Island Stages	N/R	N/R	0.0%
Sun Land Tours, Inc.	N/R	N/R	0.0%
Transit Enterprise Systems, Inc.	N/A	N/A	0.0%
Total	$2,633,793	$2,786,974	105.8%

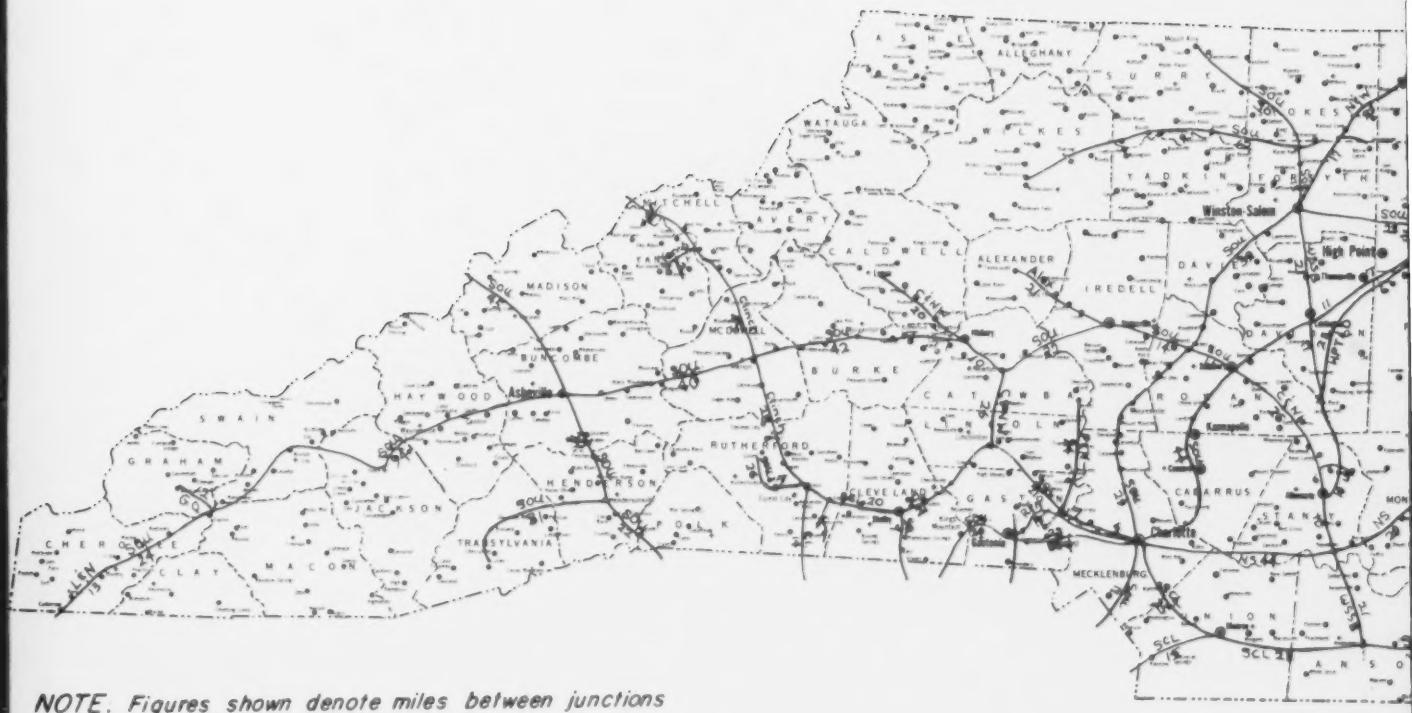
N/R = No annual report filed, company has requested cancellation or is under suspension.
N/A = Authority granted in December, 1988, no annual report was filed.

FIGURE NO. 10-6
MOTOR PASSENGER CARRIERS--INTRACITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1987 and 1988

INCOME ITEMS (N.C. ONLY):	Year	Duke Power Durham	Duke Power Greensboro	Total Intracity Carriers
Operating Revenues	1987	$782,736	$616,131	$1,398,867
	1988	$835,644	$674,699	$1,510,343
Operating Expenses	1987	2,221,584	1,742,260	3,963,844
	1988	2,410,775	1,889,007	4,299,782
Net Operating Income Before Taxes	1987	($1,438,848)	($1,126,129)	($2,564,977)
	1988	($1,575,131)	($1,214,308)	($2,789,439)
Other Income or (Deductions)--Net	1987	0	0	0
	1988	0	0	0
Income Taxes--Net	1987	0	0	0
	1988	0	0	0
Net Income After Taxes	1987	($1,438,848)	($1,126,129)	($2,564,977)
	1988	($1,575,131)	($1,214,308)	($2,789,439)
Operating Ratio	1987	283.8%	282.8%	283.4%
	1988	288.5%	280.0%	284.7%
STATISTICS SYSTEMWIDE (All North Carolina)				
Length of bus route-miles-one way	1987	52	69	121
	1988	52	69	121
Total no. of buses owned	1987	33	28	61
	1988	32	28	60
Average no. of buses operated daily	1987	20	17	37
	1988	20	17	37
Total bus miles operated-yearly	1987	859,101	668,735	1,527,836
	1988	870,155	685,618	1,555,773
Total revenue passengers hauled during year	1987	1,882,071	1,441,771	3,323,842
	1988	1,932,652	1,485,093	3,417,745
Total school passengers hauled (Included in total passengers hauled)	1987	107,071	9,425	116,496
	1988	116,311	7,833	124,144
Average number of bus drivers	1987	35	28	63
	1988	35	28	63
Average number of full-time N.C. employees	1987	68	65	133
	1988	69	69	138
Total N.C. salaries and wages paid	1987	$1,169,760	$1,169,760	$2,339,520
	1988	$1,327,605	$1,086,714	$2,414,319



XI. The Transportation Industry—Railroads



NOTE. Figures shown denote miles between junctions

—— *Railroads*

o *County Seats*

• *Other Towns or Junctions*

FIGURE 11-1

MAP OF

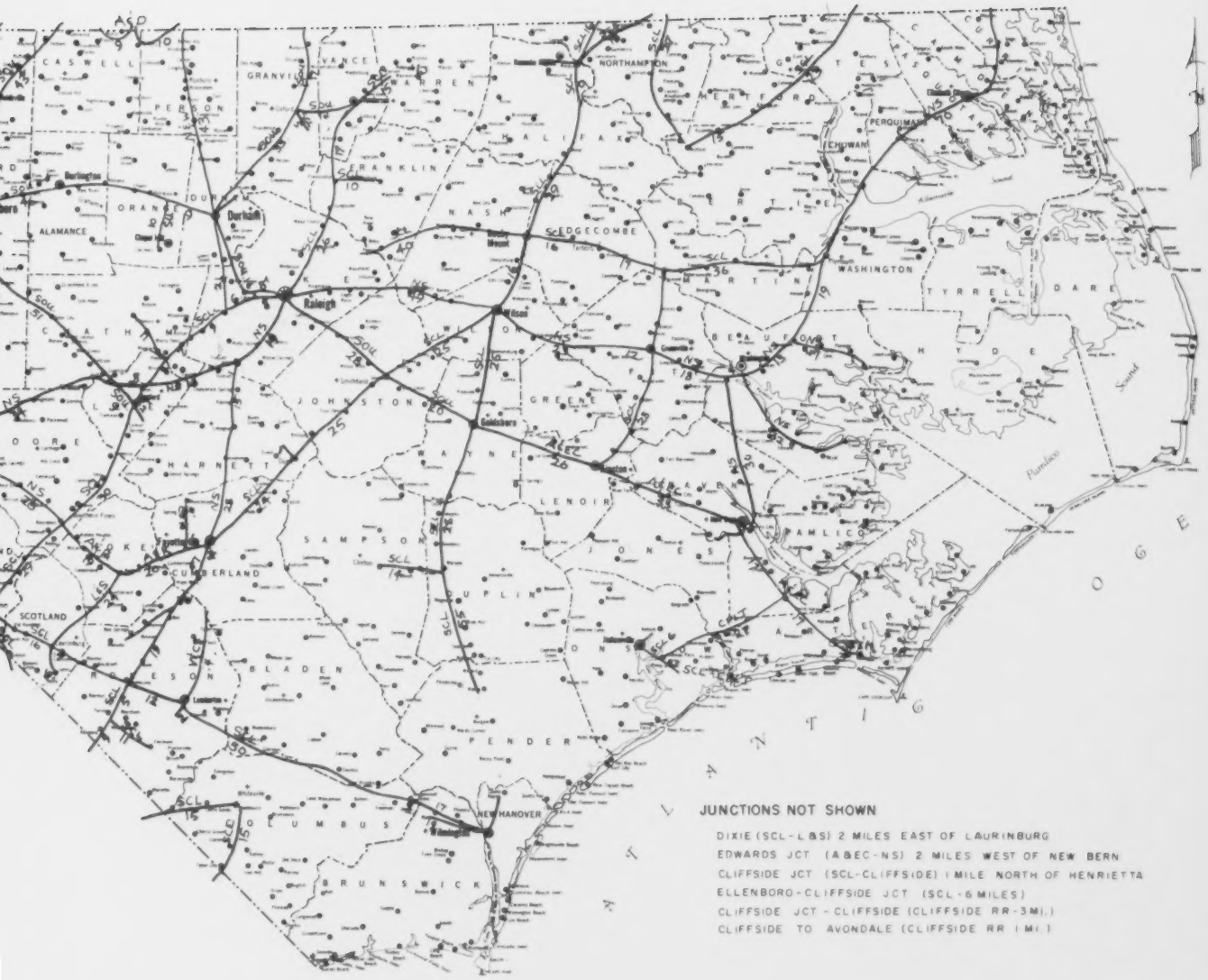
NORTH CAROLINA RAILROADS

PREPARED BY

NORTH CAROLINA UTILITIES COMMISSION

RALEIGH, N.C.

Represents the number of railroads as of December 31, 1988



JUNCTIONS NOT SHOWN

DIXIE (SCL - L&S) 2 MILES EAST OF LAURINBURG
EDWARDS JCT (A&EC - NS) 2 MILES WEST OF NEW BERN
CLIFFSIDE JCT (SCL - CLIFFSIDE) 1 MILE NORTH OF HENRIETTA
ELLENBORO - CLIFFSIDE JCT (SCL - 6 MILES)
CLIFFSIDE JCT - CLIFFSIDE (CLIFFSIDE RR - 3 MI.)
CLIFFSIDE TO AVONDALE (CLIFFSIDE RR 1 MI.)

FIGURE 11-1A

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1988

Aberdeen Carolina & Western Railway Co.
P.O. Box 646
Aberdeen, N.C. 28315

Aberdeen & Rockfish Railway Co.
P.O. Box 917
Aberdeen, N.C. 28315

Alexander Railroad Co.
P.O. Box 277
Taylorsville, N.C. 28681

Atlantic & East Carolina Railway Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Atlantic & Western Corp.
317 Chatham Street
P.O. Box 1208
Sanford, N.C. 27330

Beaufort & Morehead Railroad Co.
P.O. Box 300
Beaufort, N.C. 28516

CSX Transportation
P.O Box 41645
Jacksonville, Florida 32203-1645

Camp Lejeune Railroad Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Cape Fear Railways, Inc.
P.O. Box 70090
Fort Bragg, N.C. 28307

Dunn-Erwin Railway Corporation
P.O. Box 917
Aberdeen, N.C. 28315

Fairmont & Western Railroad Co.
P.O. Box 546
Laurinburg, N.C. 28352

Franklin County Railroad Corp.
P.O. Box 546
Laurinburg, N.C. 28352

Great Smoky Mountain Railway
One Maple Street
Sylva, NC 28779

High Point, Thomasville, & Denton Railroad Co
500 Water Street
Jacksonville, Florida 32202

Laurinburg & Southern Railroad Co.
P.O. Box 546
Laurinburg, N.C. 28352

Mid Atlantic Railroad Company
P.O. Box 368
Chadburn, N.C. 28431

Nash County Railroad Corp.
P.O. Box 546
Laurinburg, N.C. 28352

Norfolk Southern Combined Railroad
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

North Carolina & Virginia Railroad
P.O. Box 1063
Ahoskie, N.C. 27910

Red Springs & Northern Railroad Co.
P.O. Box 546
Laurinburg, N.C. 28352

State University Railroad Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

The Virginia Southern Division Railroad
P.O. Box 1063
Ahoskie, N.C. 27910

Warrenton Railroad Co.
P.O. Box 518
Warrenton, N.C. 27589

Winston-Salem Southbound Railway Co.
500 Water Street
Jacksonville, Florida 32202

A. RAILROAD COMPANIES OPERATING IN NORTH CAROLINA

Twenty-five railroad companies were certified, with 24 of these in operation in North Carolina at the end of 1988. These companies operated 3,423 miles of trackage in North Carolina as of December 31, 1988. Figure No. 11-1 is a map of the North Carolina Railroad System and Figure No. 11-2 shows a list of railroads franchised to operate. The State's rail system is well developed with service available to many towns and to all regions of the State. Almost all of the state's one hundred counties receive rail service.

In North Carolina railroads are viewed as a very important element in the State's total freight transportation system, delivering many of the materials needed to run North Carolina's economy. The State's agricultural and wood product industries have relied on convenient and economical rail service. The coal-fired utility plants, which generate electricity for North Carolina industries, depend on rail for coal delivery.

On January 1, 1980, the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) reclassified the railroads as follows: (M-100, Sub 68, dated 2-5-82)

Class I	$50 million or more annual revenues
Class II	$10 million to $50 million annual revenues
Class III	Less than $10 million annual revenues

At December 31, 1988, there were two Class I railroads, and twenty-two Class III railroads in operation in North Carolina. The Class III railroads include the following two railroads which began operations in North Carolina in 1988: Dunn-Erwin Railway Corporation and Great Smoky Mountain Railway.

Although there are twenty-four separately identified rail companies serving North Carolina, most of the state's rail transport needs are provided by two large, well-established companies. CSX Transportation, formerly Seaboard System Railroad Company, and Norfolk Southern Combined Railroad Subsidiaries, together with their affiliates, control over 83% of the track-miles located in the state. Changes which occurred in 1988 include Carolina and Northwestern Railway Company merging with Norfolk Southern Combined Railroad and the abandonment of Franklin County Railroad Corporation.

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

In North Carolina, railroads not only contribute to commodity movements, they also provide for intercity passenger movements. During 1988, four trains per day provided regularly scheduled passenger service. Each was owned and operated by the National Railroad Passenger Corporation. American Trains and Track (AMTRAK), was established in 1970 to relieve railroads of the responsibility of providing rail passenger service. When AMTRAK was formed only two railroads provided passenger service in North Carolina: Seaboard Coast Line Railroad Company (SCL), now CSX Transportation, and Southern Railway Company (SOU), now Norfolk Southern Combined Railroad Subsidaries.

AMTRAK operates over the transportation tracks of CSX and Norfolk & Southern Combined Railroad Subsidiaries. AMTRAK now operates passenger trains over the rails of CSX: Nos. 81 and 82, the Silver Star, between New York and Miami, Florida, with stops at Raleigh, Hamlet, Southern Pines, and Rocky Mount, North Carolina; Nos. 87 and 88 the Silver Meteor between Boston, Massachusetts, and Miami, Florida serving Rocky Mount and Fayetteville, North Carolina, as conditional stops; and Nos. 89 and 90,

the Palmetto, between Virginia and Florence, South Carolina, with stops at Rocky Mount, Wilson, Selma, and Fayetteville, North Carolina.

On April 6, 1978, Southern Railway Company filed an application with the ICC to discontinue operation of its last passenger train operating in North Carolina. On or about February 1979, AMTRAK took over and began operation of the Crescent, Nos. 1 and 2, operating between Washington, D.C., and Atlanta, Georgia, which was the last independent rail service in North Carolina provided on regular schedules. The federal budget cuts made in 1981 forced major revisions in AMTRAK's overall service but did not affect service to North Carolina. With the addition of new or rebuilt equipment on all North Carolina routes, service has become more attractive and reliable; however, increased fares may be necessary to absorb the cost of these improvements.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1988 as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973-1988, the Commission enlarged the scope of its rail safety program by the addition of three Rail Safety Engineers whose sphere of responsibility includes the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these three engineers encompassed on-site inspection of track conditions and equipment and investigations of train accidents. A written report is filed concerning each inspection, and any defect found is required to be corrected. In addition to on-site inspections, the engineers also conduct inspections of company records to ensure compliance with the rail safety regulations.

D. MOBILE AGENCY CONCEPT AND STATION CLOSING IN NORTH CAROLINA

Mobile Agency Concept

A major innnovation in rail freight transportation has been the implementation, upon Commission approval after investigation and possible hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent (serving one town on a five-day 40-hour week or less basis) with a mobile agent operating a special radio-equipped van, serving several small towns by highway in a given area. On a variable route six days per week, the agent calls on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central, or base agency, station manned 13 hours per day, six days per week. This station is connected by a Telex system to a car information computer center. Any customers in the area, by dialing a special number, can talk directly to the personnel in the base agency tollfree and conduct such business with the railroad as is necessary. In addition the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

This concept, with some variations, is in effect in many places throughout the State. The latest mobile agency station was approved in 1987.

Stations Closing and Changes

The railroads, as in 1988, continued their activity during 1989 in

consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the decreasing volume of freight handled at the particular location being the main reason given.

In 1989 there were 78 station closings and changes. Figure No. 11-3 lists the changes, companies, locations, and facilities affected by the Commission action after hearings with the general public located in the respective areas.

Short Line Revitalization

Since the Federal deregulation under the Staggers Act in 1981, a significant portion of railroad trackage has been saved through the formation and revitalization of new short line railroad companies. The Rail Corridor Preservation Act, passed by the General Assembly in 1988, gave the Department of Transportation the power to purchase railroads and preserve rail corridors. There was also funding allocated for rail corridor preservation.

E. RAIL CROSSINGS

There were 5,387 rail crossings in North Carolina in 1988, down from 5,719 in 1987. During 1988 there were 20 deaths and 73 injuries resulting from accidents involving highway rail crossings. In 1987 there were 20 deaths and 113 injuries resulting from accidents involving highway rail crossings. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The Highway Commission has jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. STATISTICAL SUMMARY DATA

Operating revenues of the Class I and II railroad companies decreased 4.6% for their North Carolina operations and increased 1.1% for their total company operations in 1988 over 1987. Operating expenses decreased 5.3% for their North Carolina operations and decreased 1.5% for total company operations. The North Carolina operating ratio was 98.3% for the Class I and II railroad companies in 1988. The combined North Carolina operating ratio for all classes of railroad companies in North Carolina was 97.4% in 1988, compared with 98.2% in 1987. See Figure No. 11-4.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, decreased .6% in 1988 over 1987. Figure No. 11-5 shows in detail the types of commodities carried by rail. Nonmetallic minerals, lumber, wood products, pulp paper, and chemicals were the leading commodities carried by rail in 1988. These commodities were wellsuited for the rail mode because they are characteristically bulky, high-volume, or low-value commodity types.

North Carolina's railroads constitute a well-established and significant industry. They not only support economic prosperity by contributing to state and local taxes, but they also employ many state residents. The number of employees residing in North Carolina and working for the railroads was 4,644 at year-end 1988. The total compensation for railroad employees was over $145 million with the average salary per worker at $31,227. See Figure Nos. 11-6, 11-7, and 11-8 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. 11-2
RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1988

Company	Main Business Office	Abbreviation	Class	Mileage Operated: North Carolina 1987	North Carolina 1988	System 1987	System 1988	1988 % in N.C.
Aberdeen Carolina & Western Railway (1)	Aberdeen, N.C.	ACWR	III	35	35	35	35	100.0
Aberdeen & Rockfish Railway Co.	Aberdeen, N.C.	A&R	III	46	47	46	47	100.0
Alexander Railroad Co.	Taylorsville, N.C.	ARC	III	19	19	19	19	100.0
Atlantic & East Carolina Railway Co.	Norfolk, Va.	A&EC	III	94	94	94	94	100.0
Atlantic & Western Corp.	Sanford, N.C.	ATW	III	3	3	3	3	100.0
Beaufort & Morehead Railroad Co.	Beaufort, N.C.	B&MN	III	3	3	3	3	100.0
CSX Transportation (2)	Jacksonville, Fla.	CSX	I	1,189	1,178	21,496	20,376	5.8
Camp Lejeune Railroad Co.	Norfolk, Va.	CLRR	III	41	40	41	40	100.0
Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	III	10	10	10	10	100.0
Carolina & Northwestern Railway Co. (3)	Norfolk, Va.	CNW	II	625	N/APPL.	750	N/APPL.	N/APPL.
Dunn-Erwin Railway Corporation	Aberdeen, N.C.	DER	III	N/APPL.	6	N/APPL.	6	100.0
Fairmont & Western Railroad Co. (4)	Laurinburg, N.C.	FWRD	III	10	10	10	10	100.0
Franklin County Railroad Corp. (5)	Laurinburg, N.C.	FCYR	III	10	10	10	10	100.0
The Great Smoky Mountains Railway (6)	Sylva, N.C.	GSMR	III	N/APPL.	67	N/APPL.	67	N/APPL.
High Point, Thomasville, & Denton Railroad Co.	Jacksonville, Fla.	HPT	III	34	34	34	34	100.0
Laurinburg & Southern Railroad Co.	Laurinburg, N.C.	LSR	III	28	28	28	28	100.0
Mid Atlantic Railroad Company	Chadburn, N.C.	MARC	III	45	45	90	90	50.0
Nash County Railroad Corp.	Laurinburg, N.C.	NCYR	III	20	20	20	20	100.0
Norfolk Southern Combined Railroad (7)	Norfolk, Va.	NS Rail	I	1,131	1,664	16,359	16,862	9.9
North Carolina & Virginia Railroad (8)	Ahoskie, N.C.	NCVA	III	49	49	52	52	94.2
Red Springs & Northern Railroad Co.	Laurinburg, N.C.	RSNR	III	10	10	10	10	100.0
State University Railroad Co.	Norfolk, Va.	S.T.U.	III	10	10	10	10	100.0
Virginia Southern Division Railroad (8)	Ahoskie, N.C.	VSDR	III	19	19	78	78	24.4
Warrenton Railroad Co. (9)	Warrenton, N.C.	W.R.R.	III	0	0	0	0	N/APPL.
Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	III	88	90	88	90	100.0
Total 1988 Companies--25				3,519	3,491	39,286	37,994	9.2

N/APPL. = Not applicable
N/? = No report was filed with the Commission.

(1) Aberdeen & Briarpatch was purchased by Aberdeen Carolina & Western in June 1987.
(2) CSX Transportation was formerly Seaboard System Railroad, Inc. The name was changed on July 1, 1986.
(3) Carolina & Northwestern Railroad merged with Norfolk Southern Combined Subsidiaries in 1988.
(4) Fairmont and Western Railroad ceased operations in July 1988.
(5) Franklin County Railroad ceased operations in January 1988.
(6) This Railroad did not begin operations until August 1988.
(7) a. Norfolk & Western Railway and Southern Railway Consolidated in 1986.
b. Mileage for Atlantic & East Carolina, Camp Lejeune, and State University Railroad Companies was listed separately & not included in the Norfolk Southern total.
(8) These Railroads began operations in North Carolina in November, 1987.
(9) Warrenton Railroad Company is authorized to operate but has been inactive since 1984. There are no miles actually operated at this time.

FIGURE NO. 11-3

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1989

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			CSX TRANSPORTATION	
R-71, SUB 169	1-26-89	3-8-89	Gastonia	Retire Yard Tracks & Change Open & Prepay Station List from Public to Private Siding Status
R-71, SUB 170	2-7-89	3-14-89	Rocky Mount, Fayetteville	Relocate Agency & Mobile Agency Operations From Fayetteville to Rocky Mount
R-71, SUB 173	8-17--89	9-13-89	Goldsboro	Abolish Mobile Agency at Goldsboro
R-71, SUB 174	9-1-89	10-12-89	Wilmington	Retire Tracks and Change Open & Prepay Station List From Public to Private at Wilmington
R-71, SUB 175	9-6-89	10-12-89	Plymouth	Retire Track No. 6 at Plymouth
R-71, SUB 176	9-8-89	10-12-89	Ayden	Retire Track at Ayden
R-71, SUB 177	9-8-89	10-12-89	Cameron	Retire Track & Change Open and Prepay Station List from Public to Private
R-71, SUB 178	9-8-89	10-12-89	Winterville	Retire Track & Change Open and Prepay Station List from Public to Private
R-71, SUB 179	9-21-89	11-13-89	Bladenboro	Retire Track & Change Open and Prepay Station List From Public to Private
R-71, SUB 180	10-5-89	11-13-89	Halifax	Retire Track at Halifax
R-71, SUB 181	10-25-89	12-1-89	Maxton	Retire Track No. 6 & Change Open and Prepay Station List From Public to Private
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 688	11-5-87	3-3-89	Greensboro	Retire & Remove Track, Formerly Serving Hitchcock Beverage Company at Greensboro
R-29, SUB 689	11-5-89	5-25-89	Pomona	Retire & Remove Track No. 287-52-C at Mile Post 286.5, Formerly Serving Mosaic Tile Co. at Pomona
R-29, SUB 696	2-24-88	2-3-89	Reidsville	Retire & Remove Track No. 263-3 at Mile Post 260.1, Formerly Serving Reidsville Grocery at Reidsville
R-29, SUB 702	11-16-88	1-23-89	Oxford	Retire & Remove Track No. 56-11, Formerly Serving Farmers Cooperative Exchange and Suburban Propane at Oxford
R-29, SUB 706	7-1-88	11-30-89	Greensboro	Retire & Remove Track No. 281-1 at Mile Post 280.5 Formerly Serving Sears, Roebuck & Co. at Greensboro
R-29, SUB 710	6-6-88	1-18-89	Greensboro	Retire & Remove Track No. H2.6, Mile Post H1.6, Formerly Serving Stedco Southern & R. C. Price at Greensboro
R-29, SUB 725	7-26-88	2-8-89	Hillsborough	Retire & Remove Track No. 41-2 at Mile Post H 40.6 Formerly Serving Cone Mills, Corp. at Hillsborough
R-29, SUB 726	7-26-88	2-9-89	Greenville	Retire & Remove Track at Mile Post 149.1, Formerly Serving Dunn Building Supply Co., at Greenville
R-29, SUB 733	11-9-88	5-24-89	Advance	Retire & Remove Track No. 16-1 at Advance
R-29, SUB 736	9-19-88	1-31-89	Winston-Salem	Retire & Remove Track No. 1-2 at Mile Post L0+1245, Formerly Serving C & M Supply Co., at Winston-Salem
R-29, SUB 742	9-23-88	6-26-89	Clayton	Retire & Remove Track No. 98-1 at Mile Post H 97.0, Formerly Serving Clayton Cotton Mills at Clayton
R-29, SUB 743	10-7-88	1-18-89	Henderson	Retire & Remove Track No. 14-11 at Henderson

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1989

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 745	10-13-88	1-18-89	Greensboro	Retire & Remove Track No. H2-1 at Mile Post H1.6, Formerly Serving Paul W. Williams Co. at Greensboro
R-29, SUB 749	11-9-88	2-9-89	Winston-Salem	Retire & Remove Track No. 26-21 at Mile Post K-25+4207, Formerly Serving J. E. Shelton Box Co. at Winston Salem
R-29, SUB 750	1-20-89	2-28-89	Conover	Retire & Remove Siding at Mile Post S-45.7, Formerly Serving Hickory Chair Co., Wood Products Div., Plant 20 at Conover
R-29, SUB 751	2-2-89	2-8-89	Durham	Retire & Remove Track No. 58-3 at Mile Post H-57.5 Formerly Serving Henley Oil Co. at Durham
R-29, SUB 752	11-28-88	7-12-89	Waynesville, Canton Turnpike & Clyde	Relocate Agency Operations From Waynesville to Mobile Route NC-1 at Canton and Assign Turnpike & Clyde to Mobile Route NC-1 at Canton
R-29, SUB 753	2-15-89	6-23-89	Pineville	Retire & Remove Track, Formerly Serving Palmer Fibers at Pineville
R-29, SUB 754	12-6-88	4-21-89	Reidsville	Retire & Remove Track No. 261-9 (604') at Mile Post 260.7, Formerly Serving FCX Fertilizer at Reidsville
R-29, SUB 755	11-29-88	8-10-89	Pomona	Remove Track No. 287-54-C and 287-45-C at Mile Post 286.6 Formerly Serving H. J. Heinz Co. at Pomona
R-29, SUB 756	11-29-88	6-30-89	Greensboro	Retire & Remove Track No. 287-59 at Mile Post 286-6, Formerly Serving Atco Rubber, Inc. at Greensboro
R-29, SUB 757	12-27-88	2-9-89	Kinston	Retire & Remove Track No. 27-6 at Mile Post EC 26.5, Formerly Serving White's Coal & Scrap Metal at Kinston
R-29, SUB 758	1-4-89	2-8-89	Goldsboro	Retire & Remove Track No. 129.5, Formerly Serving Pyrofax Gas at Goldsboro
R-29, SUB 759	1-12-89	2-2-89	Eden	Retire & Remove Track No. 21.5 at Mile Post 21.1, Formerly Serving Pannill Knitting at Eden
R-29, SUB 760	12-27-88	2-9-89	Kinston	Retire & Remove Track No. 27-8 at Mile Post EC 266.6 Formerly Serving Fred Webb, Inc. at Kinston
R-29, SUB 761	1-5-89	3-15-89	Greenville	Retire & Remove Track at Mile Post 174.3 Formerly Serving Carolina Sales, E. G. Flannigan, Greenville Tobacco Co., and National Carbon Co. at Greenville
R-29, SUB 762	2-6-89	3-3-89	Raleigh	Retire & Remove Track No. 83.3 at Mile Post H-82.9 Formerly Serving Statesville Flour at Raleigh
R-29, SUB 763	1-5-89	4-7-89	Garner	Retire & Remove Track No. 86-1 at Mile Post H-85.1 Formerly Serving CP&L at Garner
R-29, SUB 765	2-21-89	4-5-89	Haw River	Retire & Remove Track No. 27.3 at Mile Post H-26.0 Formerly Serving Vertex Industrial at Haw River
R-29, SUB 766	3-20-89	7-17-89	Eden	Retire & Remove Track No. 24.21 Formerly Serving Fieldcrest Mills at Eden
R-29, SUB 767	3-15-89	4-6-89	Greensboro	Retire & Remove Track No. 285.37 at Mile Post 294.3 at Greensboro
R-29, SUB 768	1-20-89	3-3-89	Greensboro	Retire & Remove Track at Mile Post H-1.6 Formerly Serving Guaranteed Supply Co. at Greensboro
R-29, SUB 769	2-15-89	3-3-89	High Point	Retire & Remove Track No. 301-10 Formerly Serving Thomas Car Works, Inc at High Point

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1989

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 770	2-6-89	3-9-89	Hillsborough	Retire & Remove Track No. 41.8 at Mile Post H-40.9 at Hillsborough
R-29, SUB 771	2-6-89	3-9-89	Hillsborough	Retire & Remove Track No. 41.6 at Mile Post H-40.9 at Hillsborough
R-29, SUB 772	2-6-89	3-9-89	Hillsborough	Retire & Remove Track No. 41.5 at Mile Post H-40.9 at Hillsborough
R-29, SUB 773	2-2-89	2-16-89	Greensboro	Retire & Remove Track No. 285-38 Formerly Serving C. D. Roberts at Greensboro
R-29, SUB 774	2-21-89	3-22-89	Greenlee	Retire & Remove Track at Mile Post S-105 Formerly Serving Unidynamics, Corp. at Greenlee
R-29, SUB 775	2-21-89	3-8-89	Burlington	Retire & Remove Track No. 244 at Mile Post H-23.2 Formerly Serving Chandler Concrete Co. at Burlington
R-29, SUB 776	2-27-89	3-22-89	Kernersville	Retire & Remove Track No. 17-1 at Mile Post K-16.2 Formerly Serving Varco-Pruden at Kernersville
R-29, SUB 777	3-2-89	4-21-89	Wendell	Retire & Remove Siding at Mile Post NS 213.3 Formerly Serving Kemp Furniture & Wenco Furniture at Wendell
R-29, SUB 778	2-27-89	3-22-89	Zebulon	Retire & Remove Track Formerly Serving Omark Industries at Zebulon
R-29, SUB 780	3-16-89	5-17-89	Selma	Retire & Remove Track NO. 110-4 at Mile Post H-109.2 at Selma
R-29, SUB 781	3-21-89	4-21-89	Sophia	Retire & Remove Track No. 15-1 at Mile Post 14.5 at Sophia
R-29, SUB 782	3-27-89	6-26-89	Greenville	Retire & Remove Tracl at Mile Post 147.3 Formerly Serving Carolina Sales Corp. at Greenville
R-29, SUB 783	4-7-89	5-24-89	Hight Point	Retire & Remove Track No. 1-8 at Mile Post M-1.7 Formerly Serving Wirthmore Feeds at High Point
R-29, SUB 784	4-4-89	6-16-89	Greensboro	Retire & Remove Track No. 286-4 at Mile Post 285.5 Formerly Serving Glascock Stove & Mfg. Co. at Greensboro
R-29, SUB 786	4-12-89	4-26-89	Greensboro	Retire & Remove Track No. 285-36 Formerly Serving Industry of the Blind at Greensboro
R-29, SUB 788	4-12-89	6-15-89	Greensboro	Retire & Remove Track No. 5 at Mile Post H-1.6 Formerly Serving Yandle Heating Supply Co at Greensboro
R-29, SUB 790	5-9-89	5-24-89	Asheboro	Retire & Remove Track No. 28-24 at Mile Post M-27.5 Formerly Serving FCX at Asheboro
R-29, SUB 791	4-12-89	6-23-89	Friendship	Removal of Track No. 5-15 Formerly Serving Gilbarco, Inc. at Friendship
R-29, SUB 792	5-5-89	6-23-89	Greensboro	Retire & Remove Track 284-31 at Mile Post HO-1 at Greensboro
R-29, SUB 793	5-31-89	8-24-89	High Point, Greensboro Trinity, Glenoa & South High Point	Relocate Agency Station at High Point and Non-Agency Stations of South High Point, Trinity & Glenola to Mobile Rt. NC-13, Relocate Base Station for Mobile Rt. NC-13 from High Point to Open Agency at Greensboro
R-29, SUB 795	5-9-89	6-15-89	Marshall	Retire & Remove Track S-164.1 at Marshall

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1989

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 796	5-23-89	7-3-89	Asheboro	Remove Track at Mile Post M027.5 Formerly Serving Asheboro Wheelbarrow Co. at Asheboro
R-29, SUB 797	6-14-89	9-27-89	Wilmar	Retire & Remove Track at Mile Post NB-8.6 Formerly Serving Moss Planning Mill Co. at Wilmar
R-29, SUB 800	6-19-89	7-12-89	Wilson	Retire & Remove Track Formerly Serving Export Tobacco Co. at Wilson
R-29, SUB 802	6-27-89	7-12-89	High Point	Retire & Remove Track No. 300-22 Formerly Serving Allison-Erwin Co. at High Point
R-29, SUB 806	7-5-89	7-14-89	Reidsville	Retire & Remove Track No. 260-3 Formerly Serving Dyer Coal Co. at Reidsville
R-29, SUB 807	7-5-89	7-17-89	Durham	Retire & Remove Track No. J Formerly Serving Brame Specialty Co. at Durham
R-29, SUB 812	9-1-89	9-28-89	Guthrie	Retire & Remove Track No. 20-1 at Mile Post K-19.9 at Guthrie
R-29, SUB 814	10-3-89	11-2-89	Friendship	Retire & Remove Track No. 7.2 at Mile Post K-6.7 at Friendship
R-29, SUB 818	10-5-89	11-2-89	Goldsboro	Retire & Remove Track No. 2-1 at Mile Post EC-1.6 at Goldsboro
R-29, SUB 819	9-18-89	12-21-89	Greensboro	Retire & Remove Track No. 291-1 at Mile Post 290.4 at Greensboro
R-29, SUB 823	8-14-89	8-21-89	Cove City	Remove Track at Mile Post EC-39 Formerly Serving World Wood Corp. at Cove City
R-29, SUB 824	8-14-89	8-21-89	Raleigh	Retire & Remove Track at Mile Post 82.3 Formerly Serving Newsome Roofing Co. at Raleigh
R-29, SUB 830	10-3-89	11-2-89	Goldsboro	Retire & Remove Track at Mile Post H-126.5 Formerly

SUMMARY OF ACTIVITIES--1989

Type of Action	Number of Dockets Filed
Retire and/or Remove Tracks	74
Relocate Agency/Mobile Agency	3
Abolish Mobile Agency	1
TOTAL	78

FIGURE NO. 11-4

Railroad Classes I, II, & III
(North Carolina Data Only)
OPERATING REVENUES, EXPENSES & RATIOS
For the Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987, & 1988

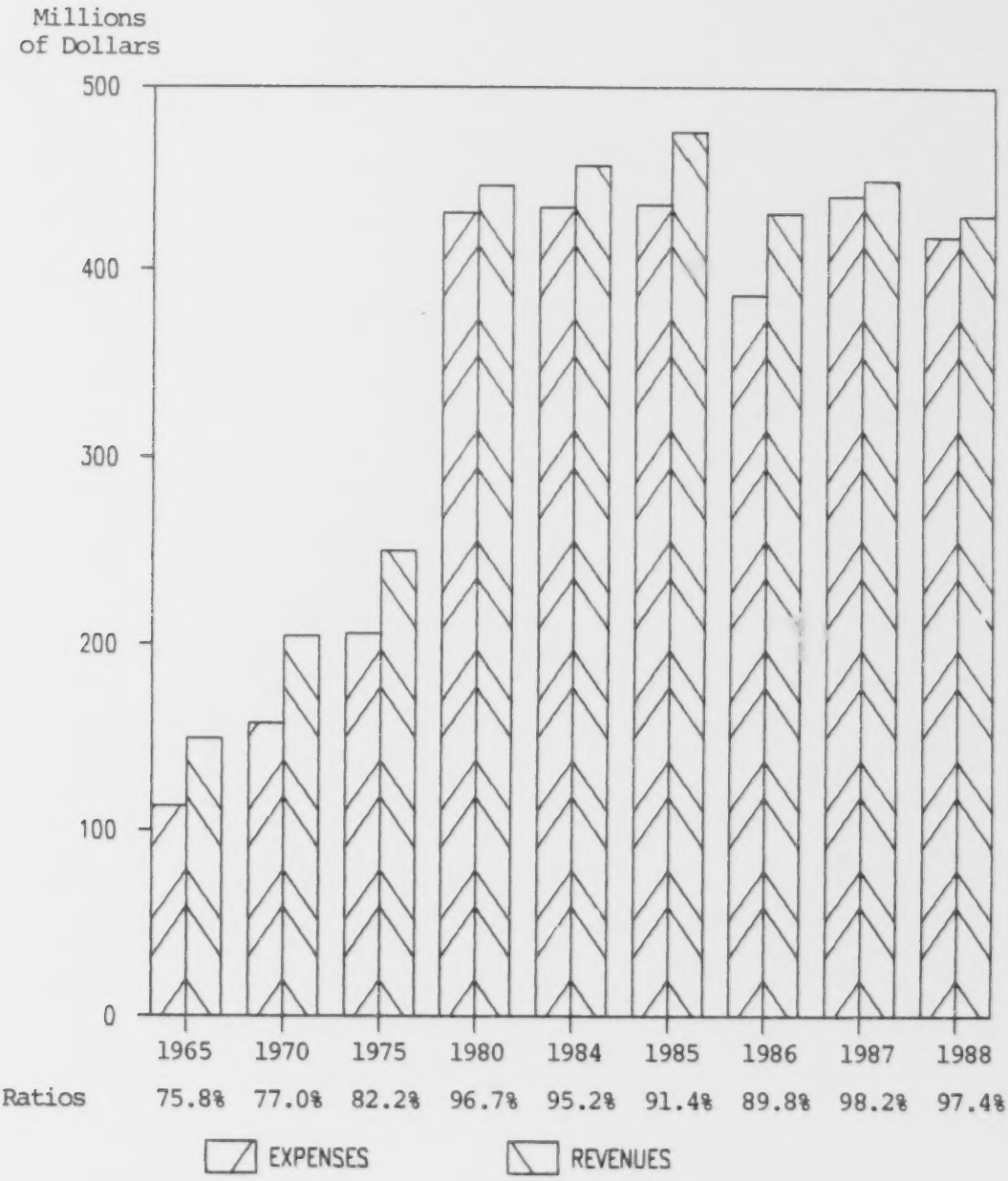


FIGURE NO. 11-5

TONS (2000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING IN NORTH CAROLINA
ON THE CLASS I AND III RAILROADS UNDER REGULATION AT DECEMBER 31, 1988

	Group & Commodity	Class I	Class III	Grand Total
01	Farm Products	610,342	78,175	688,517
08	Forest Products	144	285,703	285,847
09	Fresh Fish & Other Marine Products	0	0	0
10	Metallic Ores	1,578	0	1,578
11	Coal	74,912	1,308	76,220
13	Crude, Petro, Nat. Gas & Nat. GSLN	0	0	0
14	Nonmetallic Minerals Except Fuels**	2,291,472	148,714	2,440,186
19	Ordinance & Accessories	45,555	2,114	47,669
20	Food & Kindred Products	1,166,917	244,929	1,411,846
21	Tobacco Products	21,275	0	21,275
22	Textile Mill Products	29,934	0	29,934
23	Apparel & Other Finish. Textile PRD, JNC Knit	1,879	0	1,879
24	Lumber & Wood Products Except. Furn.	2,915,113	48,862	2,963,975
25	Furniture & Fixtures	72,211	0	72,211
26	Pulp, Paper, & Allied Products	1,739,275	76	1,739,351
27	Printed Matter	10	0	10
28	Chemicals & Allied Products	2,164,053	49,329	2,213,382
29	Petroleum & Coal Products	10,409	418,338	428,747
30	Rubber & Miscellaneous Plastic Products	118,544	0	118,544
31	Leather & Leather Products	191	0	191
32	Stone, Clay, Glass, & Concrete Products	1,220,410	19,642	1,240,052
33	Primary Metal Products	140,765	5,107	145,872
34	Fabr. Metal Prod. Exc. Ordn. Mach. & Transpt.	7,148	0	7,148
35	Machinery, Except Electrical	5,700	61	5,761
36	Electrical Machinery, Equip. & Supplies	4,986	0	4,986
37	Transportation Equipment	6,107	222	6,329
38	Instruments, Phot. & Optical GD, Watches	135	0	135
39	Miscellaneous Products of Manufacturing	828	28,339	29,167
40	Waste & Scrap Material	876,647	30,947	907,594
41	Miscellaneous Freight Shipments	10,335	14,010	24,345
42	Containers, Shipping Returned Empty	35,202	304	35,506
44	Freight Forwarder Traffic	66	18,000	18,066
45	Shipper Assoc. or Similar Traffic	19,119	0	19,119
46	Misc. Mixed Shipment Exc. Fwd. & Ship Assoc.	306,101	0	306,101
47	Small Package (LCL)	881	0	881
	Other	221,261	22,999	244,260
	Grand Total	14,119,505	1,417,179	15,536,684

*There were no Class II Railroads in 1988. Carolina and Northwestern merged with Southern Railroad of Norfolk Southern Combined Subsidiaries.

**Nonmetallic minerals - Olivine, phosphorous, mica, kaolin, limestone, quartz and silica.

FIGURE NO. II-6

RAILROADS--CLASS I AND II--SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS

For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988

(Dollars in Thousands)

Class I - CSX Transportation and Norfolk Southern Combined Railroad. Class II - Carolina and Northwestern Railroad.

ITEM	ALLOCATION OF DATA	1965	1970	1975	1980	1984	1985	1986	1987	1988	% CHANGE 1988-1987
No. of Companies Covered by Data		8	6	6	6	4	4	3 (1)	3 (1)	2 (2)	
Income & Expense Items:											
Operating Revenues	N.C.	$140,701	$192,795	$237,456	$424,893	$437,461	$465,010	$410,534	$426,588	$407,130	(4.6)
	Total	$1,592,074	$2,072,069	$2,838,455	$5,031,268	$5,651,586	$6,111,793	$7,851,905	$7,964,302	$8,055,558	1.1
Operating Expenses	N.C.	$107,743	$150,734	$197,725	$412,898	$419,446	$427,386	$369,895	$422,397	$400,070	(5.3)
	Total	$1,141,031	$1,536,621	$2,127,880	$4,327,113	$4,734,373	$5,443,219	$6,642,779	$7,331,365	$7,220,415	(1.5)
Net Operating Income	N.C.	$32,958	$42,061	$39,731	$11,995	$18,015	$37,624	$40,639	$4,191	$7,060	68.5
Before Taxes	Total	$451,043	$535,448	$710,575	$704,155	$917,213	$668,574	$1,209,126	$632,937	$835,143	31.9
Fixed Charges	Total	82,308	123,631	155,903	192,466	171,086	167,372	241,293	245,892	241,034	(2.0)
Other Income (Deductions)	Total	(186,305)	(229,387)	(301,858)	135,765	392,797	232,153	408,031	447,201	265,511	(40.6)
Taxes (3)	Total	N/APL.	N/APL.	N/APL.	N/APL.	378,881	246,829	541,805	292,153	352,783	20.8
Net Income	Total	$182,430	$182,430	$252,814	$647,454	$760,043	$486,526	$834,059	$542,093	$506,837	(6.5)
State Income Tax	N.C.	$412	$370	$584	$2,611	$565	$1,238	$4,347	$3,880	$5,305	36.7
Real Estate/Personal Property Taxes	N.C.	3,394	3,036	3,420	4,417	7,372	4,913	2,539	3,345	3,543	5.9
Other N.C. Taxes	N.C.	758	2,625	4,279	5,240	3,447	5,128	2,430	2,265	2,181	(3.7)
Total Taxes Paid or Accrued	N.C.	$4,564	$6,031	$8,283	$12,268	$11,384	$11,279	$9,316	$9,490	$11,029	16.2
Operating Ratio	N.C.	76.6%	78.2%	83.3%	97.2%	95.9%	91.9%	90.1%	99.0%	98.3%	(0.8)
	Total	71.7%	74.2%	75.0%	86.0%	83.8%	89.1%	84.6%	92.1%	89.6%	(2.6)
BALANCE SHEET ITEMS:											
Net Book Value--Transportation Property	Total	$3,816,261	$4,597,303	$5,116,622	$6,202,901	$8,415,841	$10,709,200	$14,689,687	$14,744,189	$14,957,545	1.4
STATISTICS:											
Average Miles of Road Operated	N.C.	3,743	3,705	3,691	3,646	3,218	3,931	3,072	2,945	2,842	(3.5)
	Total	30,343	29,873	30,310	29,706	28,780	32,547	40,264	38,605	37,238	(3.5)
Freight Revenue	N.C.	$130,134	$181,027	$230,248	$406,338	$428,787	$454,429	$405,978	$416,569	$396,304	(4.9)
	Total	$1,449,866	$1,972,758	$2,751,770	$4,885,219	$5,499,668	$5,945,149	$7,613,661	$7,725,596	$7,824,541	1.3
Tons of Revenue Freight Hauled (000s)	N.C.	86,772	107,529	99,140	118,441	99,535	111,341	99,905	109,409	108,964	(0.4)
	Total	506,307	559,173	635,355	586,593	517,790	530,873	691,235	667,096	665,546	(0.2)
Freight Revenue Per Ton	N.C.	$1.50	$1.68	$2.32	$3.43	$4.31	$4.09	$4.06	$3.81	$3.64	(4.5)
	Total	$2.86	$3.53	$4.33	$8.33	$10.62	$11.20	$11.01	$11.58	$11.76	1.5
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	49,949	59,518	59,748	66,717	51,453	47,171	48,198	58,792	55,035	(6.4)
No. of Employees Allocated (4)	N.C.	7,802	6,926	6,556	6,822	5,993	5,314	4,905	4,306	4,406	2.3
Total Compensation of Employees (000s)	N.C.	$53,604	$66,378	$92,890	$138,716	$160,162	$152,542	$134,881	$146,163	$139,969	(4.2)
Average Annual Compensation/Employee	N.C.	$6,871	$9,584	$14,169	$20,334	$26,725	$28,706	$27,499	$33,944	$31,768	(6.4)
Highway Railroad Grade Crossings	N.C.	3,448	3,498	3,475	6,121	5,064	4,373	4,286	5,092	4,418	(13.2)
No. Killed--Grade Crossing Accidents	N.C.	57	39	25	34	16	11	17	20	19	(5.0)
No. Injured--Grade Crossing Accidents	N.C.	133	175	129	95	71	84	96	106	72	(32.1)

(1) There were two Class I Railroad Companies and one Class II Railroad Company in operation. See Figure No. II-2 for a listing of the Railroad Companies.

(2) There were two Class I Railroads in 1988; Carolina and Northwestern (Class II) merged with Southern Railroad in 1988.

(3) Taxes have not been broken down for the total company until 1984.

(4) Estimates for 1984.

FIGURE NO. II-7

RAILROADS--CLASS III SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988
(Dollars in Thousands)

ITEM	Allocation of Data	1965	1970	1975	1980	1984	1985	1986	1987	1988	% Change 1988-1987
No. of Companies Covered by Data:		21	17	17	15	16	12	15	16 (1)	19 (2)	
INCOME & EXPENSE ITEMS:											
Operating Revenues	N.C.	$8,619	$11,603	$12,702	$19,967	$18,456	$10,592	$19,827	$21,567	$22,459	4.1
	Total	$11,390	$16,371	$17,458	$26,655	$18,456	$10,592	$19,827	$22,370	$23,231	3.8
Operating Expenses	N.C.	$5,483	$6,670	$7,827	$17,396	$14,362	$7,349	$16,584	$17,535	$18,306	4.4
	Total	$7,624	$9,862	$10,585	$23,497	$14,362	$7,349	$16,584	$18,186	$18,980	4.4
Net Operating Income	N.C.	$3,136	$4,973	$4,875	$2,571	$4,094	$3,243	$3,243	$4,032	$4,153	3.0
Before Taxes	Total	$3,766	$6,509	$6,873	$3,158	$4,094	$3,243	$3,243	$4,184	$4,251	1.6
Fixed Charges	Total	615	1,227	492	249	936	890	258	143	323	125.9
Other Income (Deductions)	Total	(2,752)	(3,524)	(4,390)	(47)	229	374	(1,476)	(1,027)	(1,245)	21.2
Taxes	Total	523	1,121	361	356	1,338	731	820	1,366	1,719	25.8
Net Income	Total	($124)	$637	$1,630	$2,506	$2,049	$1,996	$689	$1,648	$964	(41.5)
State Income Tax	N.C.	$35	$129	$116	$166	$189	$118	$167	$292	$324	11.0
Real Estate/Pers. Prop. Taxes	N.C.	157	122	133	74	54	88	91	91	125	37.4
Other N.C. Taxes	N.C.	331	870	112	116	1,095	525	349	965	1,225	26.9
Total Taxes Paid or Accrued	N.C.	$523	$1,121	$361	$356	$1,338	$731	$607	$1,348	$1,674	24.2
Operating Ratio (Percent)	N.C.	63.6	57.1	61.6	87.1	77.8	69.4	83.6	81.3	81.5	0.3
	Total	66.9	60.2	60.6	88.2	77.8	69.4	83.6	81.3	81.7	0.5
BALANCE SHEET ITEM:											
Net Book Value--Transportation Property	Total	$17,799	$22,007	$16,235	$18,315	$16,131	$9,713	$13,485	$30,804	$30,664	(0.4)
STATISTICS:											
Average Miles of Road Operated	N.C.	721	635	478	425	249	294	430	471	581	23.4
	Total	1,028	645	661	583	249	294	430	516	626	21.3
Freight Revenue (000s)	N.C.	$8,261	$11,442	$12,226	$17,457	$16,440	$9,082	$22,248	$18,118	$16,308	(10.0)
	Total	$10,954	$15,830	$17,043	$23,632	$16,440	$9,082	$22,248	$18,897	$17,029	(9.9)
Tons of Revenue Freight Hauled (000s)	N.C.	9,961	11,155	7,542	6,987	5,263	3,001	5,012	6,562	6,316	(3.7)
	Total	11,464	13,444	9,515	8,587	5,263	3,001	5,012	7,431	7,121	(4.2)
Freight Revenue Per Ton	N.C.	$0.83	$1.03	$1.62	$2.50	$3.12	$3.03	$4.44	$2.76	$2.58	(6.5)
	Total	$0.96	$1.18	$1.79	$2.75	$3.12	$3.03	$4.44	$2.54	$2.39	(6.0)
Gal. Diesel Fuel Purchased or Used (000s)	N.C.	1,757	2,271	1,725	2,132	430	1,695	171	518	582	12.4
No. of Employees Allocated	N.C.	584	414	313	209	190	114	167	235	238	1.3
Total Compensation of Employees (000s)	N.C.	$2,851	$3,089	$3,335	$3,906	$4,195	$2,361	$3,136	$4,878	$5,048	3.5
Average Annual Compensation/Employee	N.C.	$4,882	$7,461	$10,655	$18,689	$22,079	$20,711	$18,778	$20,757	$21,210	2.2
Highway Railroad Grade Crossings	N.C.	973	864	589	644	411	252	526	627	969	54.5
No. Killed--Grade Crossing Accidents	N.C.	7	0	0	0	0	0	1	0	1	
No. Injured--Grade Crossing Accidents	N.C.	11	8	6	1	0	5	2	7	1	(85.7)

(1) The following Class III Railroad Companies did not file any 1987 data: Aberdeen Carolina & Western, North Carolina & Virginia, The Virginia Southern Division, & Warrenton Railroad.
(2) The following Class III Railraod Companies did not file sufficient 1988 data: The North Carolines Commission: The North Carolina and Virginia, The Virginia Southern Division, & Warrenton Railroad.

FIGURE NO. II-8

RAILROADS--GRAND TOTALS--CLASSES I, II, AND III

SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS

For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987, 1988

(Dollars in Thousands)

ITEM	ALLOCATION	1965	1970	1975	1980	1984	1985	1986	1987	1988*	% Change 1988-1987
No. of Companies Covered by Data:(1)		29	23	23	21	20	18	18	19	21	
INCOME & EXPENSE ITEMS:											
Operating Revenues	N.C.	$149,320	$204,398	$250,158	$444,860	$455,917	$475,602	$430,361	$448,155	$429,589	(4.1)
	Total	$1,603,464	$2,088,440	$2,855,913	$5,057,923	$5,670,042	$6,122,385	$7,871,732	$7,986,672	$8,078,789	1.2
Operating Expenses (2)	N.C.	113,226	157,364	205,552	430,294	433,808	434,735	386,479	439,932	418,376	(4.9)
	Total	1,148,655	1,546,483	2,138,465	4,350,610	4,748,735	5,450,568	6,659,363	7,349,551	7,239,395	(1.5)
Net Operating Income	N.C.	$36,094	$47,034	$44,606	$14,566	$22,109	$40,867	$43,882	$8,223	$11,213	36.4
Before Taxes	Total	$454,809	$541,957	$717,448	$707,313	$921,307	$671,817	$1,212,369	$637,121	$839,394	31.7
Fixed Charges	Total	82,923	124,858	156,395	192,715	172,022	168,262	241,551	246,035	241,357	(1.9)
Other Income (Deductions)	Total	102,194	59,330	98,410	457,601	393,023	232,527	406,555	71,724	264,266	268.4
Taxes (3)	Total	N/A	N/A	N/A	N/A	378,881	247,560	542,625	98,204	354,502	261.0
Net Income	Total	$185,117	$184,188	$254,805	$650,316	$763,427	$488,522	$834,740	$364,606	$507,801	39.3
State Income Tax	N.C.	$447	$499	$700	$2,777	$754	$1,356	$4,514	$4,172	$5,629	34.9
Real Estate/Personal Property Taxes	N.C.	3,551	3,158	3,554	4,491	7,426	5,001	2,630	3,436	3,668	6.8
Other N.C. Taxes (4)	N.C.	1,089	3,494	4,391	5,356	4,527	5,653	2,779	3,230	3,406	5.4
Total Taxes Paid or Accrued	N.C.	$5,087	$7,151	$8,645	$12,624	$12,722	$12,010	$9,923	$10,838	$12,703	17.2
Operating Ratio (5)	N.C.	75.8%	77.0%	82.2%	96.7%	95.2%	91.4%	89.8%	98.2%	97.4%	(0.8)
	Total	71.6%	74.0%	74.9%	86.0%	83.8%	89.0%	84.6%	92.0%	89.6%	(2.6)
BALANCE SHEET ITEMS:											
Net Book Value--Transportation Property	Total	$3,834,060	$4,619,310	$5,132,857	$6,221,216	$8,431,972	$10,718,913	$14,703,172	$14,774,993	$14,988,209	1.4
STATISTICS:											
Average Miles of Road Operated	N.C.	4,464	4,340	4,169	4,071	3,467	4,225	3,502	3,451	3,423	(0.8)
	Total	31,371	30,818	30,917	30,289	29,029	32,841	40,694	39,121	37,864	(3.2)
Freight Revenue	N.C.	$138,395	$192,469	$242,474	$423,795	$445,227	$463,511	$428,226	$434,687	$412,612	(5.1)
	Total	$1,460,820	$1,988,588	$2,768,813	$4,908,851	$5,516,108	$5,954,231	$7,635,909	$7,744,493	$7,841,570	1.3
Tons of Revenue Freight Hauled (000s)	N.C.	96,733	118,684	106,682	125,428	104,798	114,342	104,917	115,971	115,280	(0.6)
	Total	517,771	572,617	644,870	595,180	523,053	533,874	696,247	674,527	672,667	(0.3)
Freight Revenue Per Ton	N.C.	$1.43	$1.62	$2.27	$3.38	$4.25	$4.05	$4.08	$3.75	$3.58	(4.5)
	Total	$2.82	$3.47	$4.29	$8.25	$10.55	$11.15	$10.97	$11.48	$11.66	1.5
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	51,706	61,789	61,473	68,849	51,883	48,866	48,369	59,310	55,617	(6.2)
No. of Employees Allocated (6)	N.C.	8,386	7,340	6,869	7,031	6,183	5,428	5,072	4,541	4,644	2.3
Total Compensation of Employees (000s) (6)	N.C.	$56,455	$69,467	$96,225	$142,622	$160,162	$154,903	$138,017	$151,041	$145,017	(4.0)
Average Annual Compensation/Employee (6)	N.C.	$6,732	$9,464	$14,009	$20,285	$25,904	$28,538	$27,212	$33,262	$31,227	(6.1)
Highway Railroad Grade Crossings	N.C.	4,421	4,362	4,064	6,765	5,475	4,625	4,812	5,719	5,397	(5.8)
No. Killed--Grade Crossings Accidents	N.C.	64	39	25	34	16	11	18	20	20	0.0
No. Injured--Grade Crossing Accidents	N.C.	144	183	135	96	71	89	98	113	73	(35.4)

(1) Class III Railroads were exempted from filing an annual report with the North Carolina Utilities Commission (Docket No. R-26, Sub 29, March 5, 1982); therefore some figures may not reflect all the Railroads.

(2) Before tax accruals and net rent (3) Taxes have not been broken down for the total company until 1984. (4) Includes franchise tax (5) Effective 1-1-78, Class I & II Railroads began recording their operations in conformance with the revised Uniform System of Accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the periods after 1975. The prior years were not restated to reflect the changes. (6) Estimate for 1984

*There were no Class II Railroads in 1988. Carolina and Northwestern merged with Southern Railroad of Norfolk Southern Combined Subsidiaries.